



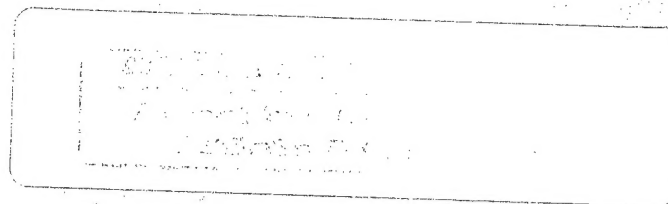
United States General Accounting Office

Report to Congressional Committees

June 1997

CHEMICAL WEAPONS STOCKPILE

Changes Needed in the Management of the Emergency Preparedness Program



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United States
General Accounting Office
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National Security and
International Affairs Division

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June 11, 1997

The Honorable Ted Stevens
Chairman
The Honorable Daniel K. Inouye
Ranking Minority Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Floyd D. Spence
Chairman
The Honorable Ronald V. Dellums
Ranking Minority Member
Committee on National Security
House of Representatives

The Honorable C.W. Bill Young
Chairman
The Honorable John P. Murtha
Ranking Minority Member
Subcommittee on National Security
Committee on Appropriations
House of Representatives

In July 1996, we reported that 8 years after the Chemical Stockpile Emergency Preparedness Program's (CSEPP) inception, Alabama communities near Anniston Army Depot were not fully prepared to respond to a chemical stockpile emergency because they lacked critical items.¹ Given the lack of progress in Alabama's CSEPP and prior CSEPP management weaknesses we have reported on, we conducted a follow-up review to (1) assess CSEPP's progress in enhancing emergency preparedness in all 10 states participating in the program and (2) identify opportunities to improve program management. We conducted this review under our basic legislative responsibilities and are addressing it to you because of your oversight responsibilities for chemical weapons disposal programs. Our scope and methodology are described in appendix I.

¹Chemical Weapons Stockpile: Emergency Preparedness in Alabama Is Hampered by Management Weaknesses (GAO/NSIAD-96-150, July 23, 1996).

Background

In November 1985, the Congress directed the Department of Defense (DOD) (through the Army) to destroy the U.S. stockpile of lethal chemical agents and munitions and directed that the disposal program provide for the maximum protection of the environment, the public, and the personnel involved in disposing of the munitions.² In 1988, the Army established CSEPP to help communities near the chemical stockpile storage sites enhance existing emergency management and response capabilities in the unlikely event of a chemical stockpile accident. Another focus of CSEPP is to enhance the emergency preparedness of the eight Army installations where the chemical stockpile munitions are stored. (See app. II for the locations of the chemical stockpile storage sites.)

The Army is responsible for determining the overall direction for CSEPP. Under a memorandum of understanding with the Army, the Federal Emergency Management Agency (FEMA) provides technical assistance and distributes Army funds to states through cooperative agreements.³ Program funds flow from the Army to FEMA headquarters, through FEMA regional offices, and to the states.⁴ Annual allocations to the states are based on the states' current concept of operations and progress in implementing approved and funded CSEPP initiatives and on the results of annual negotiations. (See app. III for data on funds allocated to the various CSEPP entities in fiscal years 1988-96.) On the basis of approved activities and projects, states provide funds to counties as their subgrantees. States and counties, in accordance with state and local laws, have primary responsibility for developing and implementing programs to enable communities to respond to a chemical stockpile emergency.

In 1993 and 1994, the Army and FEMA issued CSEPP benchmarks and planning guidance that identify funding priorities and items critical to respond to a chemical stockpile emergency.⁵ In February 1994, in response to congressional guidance, the Army and FEMA signed a restructuring agreement to establish the CSEPP Joint Army/FEMA Team to coordinate and implement public affairs, exercises, training, communications, and other activities for the program. The Joint Army/FEMA Team is managed by

²Public Law 99-145, section 1412.

³The funds provided to the states are covered by FEMA's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (44 CFR, part 13) and the Office of Management and Budget Circular A-128.

⁴Section 1521 (c) (3) 50 U.S.C. provides that the Secretary of Defense may make grants to state and local governments, either directly or through FEMA.

⁵Planning Guidance for the Chemical Stockpile Emergency Preparedness Program, the Army and FEMA (May 17, 1996).

Army's Project Manager for Chemical Stockpile Emergency Preparedness and consists of 14 Army officials and 6 FEMA officials. The team's objectives are to create an environment for teamwork and build a working partnership.

In the 1997 National Defense Authorization Act (P.L. 104-201, section 1076), the Congress directed the Secretary of the Army to submit a report on his assessment of the implementation and success of the site-specific integrated process teams. As envisioned by the Army, the integrated process teams will (1) identify issues, develop solutions, and integrate program plans and budget submissions among CSEPP jurisdictions and (2) include officials from the CSEPP Joint Army/FEMA Team, appropriate FEMA region, participating states and counties, and local Army chemical storage command. According to the Assistant Secretary of the Army for Research, Development, and Acquisition, the joint Army and FEMA report was scheduled to be issued by the end of May 1997.⁶ On May 30, 1997, the Assistant Secretary of the Army (Installations, Logistics, and Environment) informed the Congress that the Secretary's report would be delayed until July 15, 1997.

Results in Brief

Although it has taken longer than it should, CSEPP officials expect that most critical items will be in place by the end of 1998. After 9 years and funding of \$431.4 million, states and local communities surrounding the chemical stockpile storage sites still lack some items critical to responding to a chemical stockpile emergency (see table 1).

⁶Assistant Secretary of the Army for Research, Development, and Acquisition letter to the Chairman, House Committee on National Security (Mar. 31, 1997).

Table 1: Availability of Five Critical CSEPP-Funded Items in the States We Visited

CSEPP entity	Integrated communications system	Personal protective equipment	Personnel decontamination equipment	Siren system	Tone alert radios
Alabama and counties	Partial	Partial	Partial	Yes	No
Arkansas and counties	Yes	No	Yes	Yes	No
Colorado and county	Yes	No	No	No	No
Maryland and counties	Yes	No	Partial	Partial	No
Oregon and counties	Partial	Partial	No	No	No
Utah and counties	Partial	Yes	Yes	Yes	Partial
Washington and county	Yes	No	No	Yes	No

Note: As of March 1, 1997.

Source: Based on data provided by the Army's Project Manager for CSEPP and state and county emergency management agencies.

As we have reported since 1992, CSEPP's slow progress has been due largely to long-standing management weaknesses, including disagreement between the Army and FEMA over their respective roles and responsibilities.⁷ The FEMA Inspector General, Members of Congress, and state and local officials have also expressed concern about these management weaknesses. Moreover, the Congress has expressed concern that states and communities lack critical CSEPP items and that program costs continue to increase.⁸

Although the Army and FEMA have taken actions in response to this criticism, opportunities still exist to improve program management. Specifically, disagreements between Army and FEMA officials on their respective roles and responsibilities continue to hamper program effectiveness. For example, the Army is still working to respond to the requirement of the 1997 National Defense Authorization Act to report on the integrated process teams because FEMA questions the efficiency of the Army's involvement. As a result of this and other differences, the Army and FEMA have not reached agreement on a long-term management structure for the program. In his March 1997 letter to the Chairman of the House Committee on National Security, the Assistant Secretary of the Army (Research, Development, and Acquisition) said that, if the Army and FEMA were unsuccessful in reaching an agreement on the long-term

⁷See list of related GAO products at the end of this report.

⁸Program costs have remained level since the Joint Army/FEMA Team developed the CSEPP life-cycle cost estimate in 1995.

management structure for CSEPP and integrated process teams, the Army would assume full control and responsibility for the program. Until the Army and FEMA leadership take steps to delineate their agencies' roles and responsibilities and reach agreement on a long-term management structure for CSEPP, the future effectiveness of CSEPP is at risk.

Progress in Enhancing State and Local Emergency Preparedness Has Been Slow

Nine years after CSEPP's inception and funding of \$431.4 million, states and local communities still lack items critical to responding to a chemical stockpile emergency, including integrated communication systems, personal protective equipment, personal decontamination equipment, sheltering-in-place enhancements, and alert and notification systems. Program officials expect that nearly all these items will be funded and/or operational by the end of 1998, but that may be optimistic unless management weaknesses and differences at the Army and FEMA level are corrected and states and counties take prompt actions to implement the projects.

Almost \$431.4 Million Has Been Allocated to CSEPP

Through fiscal year 1996, almost \$431.4 million has been allocated to the program (see table 2). As of December 1996, approximately \$152.5 million had been allocated to Army organizations, installations, and contracts. According to Army officials, some of these expenditures were for computer equipment and software provided to state and local emergency management agencies and emergency preparedness projects at Army installations. Approximately \$43.2 million was allocated to FEMA headquarters, regional offices, and contracts. According to FEMA, the agency's contracts support the entire CSEPP community and include the development of program guidance, training courses, and computer software. Participating states and counties have received \$220.8 million. The Army has allocated \$1.1 million to other organizations and has not allocated \$13.8 million.

Table 2: Allocation of CSEPP Funds in Fiscal Years 1988-96

Dollars in thousands

Entity/activity	Amount	Percent
Army organizations, installations, and contracts	\$152,509.2	35.4
FEMA headquarters, regional offices, and contracts ^a	43,234.4	10.0
States and counties	220,779.0	51.2
Other organizations	1,093.1	0.3
Not allocated	13,766.4	3.2
Total	\$431,382.1	100^b

Note: As of December 1996.

^aIncludes \$14.7 million (3.4 percent) allocated to FEMA headquarters and regions and \$28.6 million (6.6 percent) allocated for contracts.^bPercents do not total 100 due to rounding.

Source: Based on data provided by the Army's Project Manager for CSEPP.

The Army's current life-cycle cost estimate for CSEPP is \$1.03 billion, an 800-percent increase of the initial estimate of \$114 million in 1988. According to Army officials, the initial CSEPP estimate was made before the Army had fully defined the program's scope, requirements, and time frames, and the current estimate has not increased since the CSEPP Joint Army/FEMA Team developed the \$1.03 billion life-cycle cost estimate in 1995. Management weaknesses, including the lack of adequate financial data and internal controls, have contributed to the growth in costs.

States and Local Communities Lack Critical CSEPP Items

State and local emergency management officials repeatedly expressed concern to us about their communities' lack of readiness to respond to a chemical stockpile emergency. In 1993 and 1994, the Army and FEMA issued benchmarks and program guidance that identified items critical to respond to a chemical stockpile emergency, such as automated information systems, emergency operations centers, integrated communication systems, personal protective equipment, personnel decontamination equipment, sheltering-in-place enhancements, and alert and notification systems. Table 3 shows the status of CSEPP items in each of the 10 states participating in the program.

Table 3: Availability of Critical CSEPP-Funded Items (as of Mar. 1, 1997)

Item	Alabama and counties	Arkansas and counties	Colorado and county	Illinois and counties	Indiana and counties	Kentucky and counties	Maryland and counties	Oregon and counties	Utah and counties	Washington and county
Automated information system ^a	Partial	Partial	Partial	Partial	Partial	Partial	Partial	Partial	Partial	Partial
Emergency operations center	Yes	Yes	Yes	Yes	Partial	Yes	Partial	Partial	Yes	Partial
Integrated communications system	Partial ^b	Yes	Yes	Partial	Yes	Partial	Yes	Partial	Partial	Yes
Personal protective equipment ^c	Partial	No	No	No	Partial	No	No	Partial	Yes	No
Personnel decontamination equipment	Partial	Yes	No	No	No	No	Partial	No	Yes	No
Sheltering-in-place enhancements	No	Yes	No	NR	No	NR	Yes	No ^d	NR	NR
Sirens system	Yes	Yes	No	NR	Yes	Yes	Partial	No	Yes	Yes
Tone alert radios	No	No	No	NR	No	Partial	No	No	Partial	No

Note: Yes means that the CSEPP-funded item is fully operational and meets standards.

Partial means that the CSEPP-funded item is partially operational because additional requirements are anticipated and/or the current system or equipment do not meet CSEPP standards.

No means that the state and counties do not have the required CSEPP item.

NR means that the state and counties do not have a requirement for the CSEPP item.

^aFederal Emergency Management Information System.

^bThe system was fully funded in 1996.

^cThe equipment has been funded since 1995.

^dThe enhancements were funded in 1996.

Source: Based on data provided by the Army's Project Manager for CSEPP and state and county emergency management agencies.

In our survey of CSEPP participants, all 10 states and 37 of 40 counties participating in the program said that their emergency response

capabilities had increased since the implementation of CSEPP. Officials of three counties said that their emergency response capabilities had not changed. Most communities near the chemical stockpile sites had little capability to respond to a chemical emergency when the program began in 1988. For example, emergency management officials from both the state of Oregon and Lonoke County, Arkansas, said that CSEPP has made good progress, considering that they had very little capability before the program was implemented. According to a Lonoke County official, the county would have only a few radios without CSEPP's assistance, and it is better able now to respond to all types of emergencies. Appendix IV discusses the status and funding of specific CSEPP projects.

According to FEMA, most CSEPP states and local communities have the operational capability to respond to a chemical stockpile emergency even though all CSEPP items have not been procured or installed. We did not assess whether states and local communities have operational capability to respond to a chemical incident. Our conclusion that states and local communities lack critical items is based on CSEPP benchmarks and guidance and data from the Army, FEMA, states, and local communities. We continue to believe that using benchmarks and program guidance is the appropriate measure for assessing whether program goals are being met.

Program Officials Expect That CSEPP Will Transition to a Maintenance Phase After 1998

By the end of 1998, according to federal, state, and county officials, states and local communities will have nearly all of the critical CSEPP items funded and/or available and the program will transition from procurement into a maintenance phase. At that time, most of the program's expenditures are expected to be for operations and maintenance activities rather than construction or procurement of major capital items. The transition to a maintenance phase will require less contract management, training, and federal oversight of state and local daily operations. According to Army CSEPP officials, the programs in Arkansas, Illinois, Indiana, and Utah have already transitioned into the maintenance phase. Local communities in Alabama, Colorado, and Oregon, however, will still lack some critical CSEPP items after 1998.

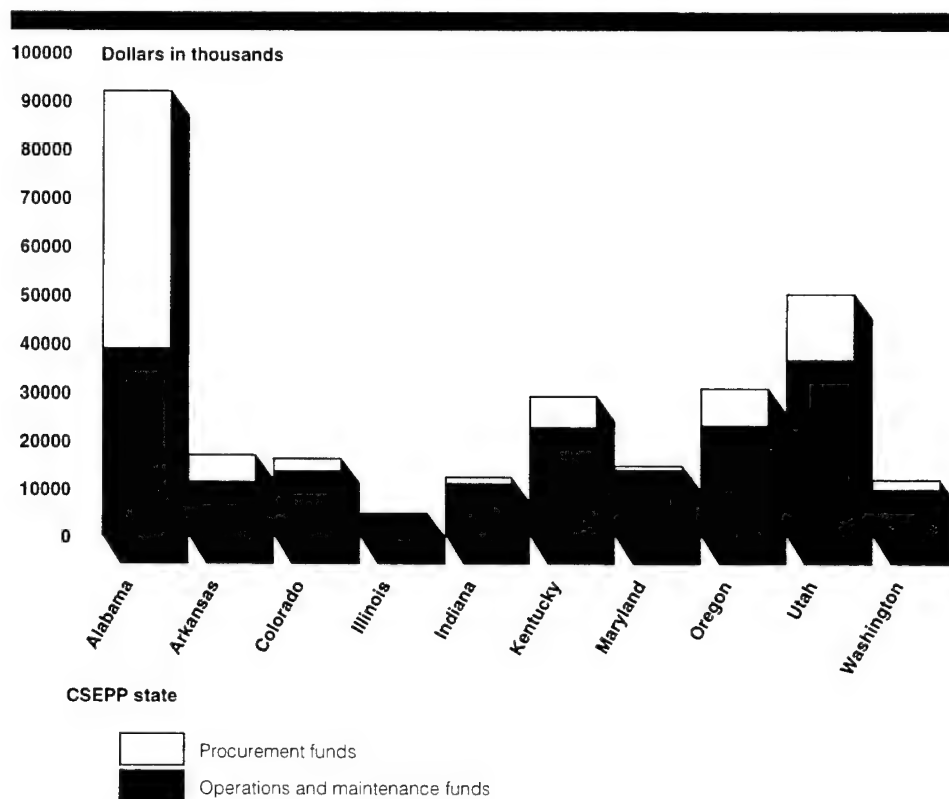
The CSEPP Joint Army/FEMA Team is in the process of negotiating standard baseline operating costs with each of the 10 states participating in the program. The negotiated funding will cover (1) agreed-upon recurring fixed-costs (for example, salaries, office supplies, and telephones) plus an inflation factor and (2) variable operating costs (for example, training and exercises) that are recognized costs but the level of funding is subject to

annual fluctuation. Other funding will be for short-term projects and one-time procurement requirements. Procurement funds are used to purchase major capital items such as communication systems or decontamination equipment. According to Army officials, inadequate actions by states and counties have caused several of the major projects to lag and the accumulation of procurement funds in state accounts.

For fiscal years 1997-2004, the Army expects to need another \$598.6 million to operate the program. It estimates that 66.4 percent of the funding allocated to the states will be operations and maintenance funds and 33.6 percent will be procurement funds (see fig. 1). Only Alabama is estimated to receive more procurement funds, mostly for costly sheltering-in-place projects, than operations and maintenance funds.⁹ Other states such as Illinois, Indiana, and Maryland are expected to receive very little procurement funds compared with their estimated operations and maintenance funding.

⁹Sheltering-in-place enhancements can be as simple as taping doors and windows or as elaborate as installing pressurized air filtration systems in schools, hospitals, jails, community centers, and public buildings. In 1996, the Calhoun County Emergency Management Agency in Alabama estimated that the county would require about \$67.6 million for sheltering-in-place enhancements to 55 facilities located near the stockpile storage site.

Figure 1: Estimated Allocation of CSEPP Funds for Fiscal Years 1997-2004



Note: Future allocations are based on the estimated funding required to maintain an acceptable level of emergency preparedness. Within DOD's budget constraints, the required funding will vary by CSEPP jurisdiction.

Source: Based on CSEPP's life-cycle cost data provided by the Army's Project Manager for CSEPP.

CSEPP Has a History of Management Weaknesses and Concerns Still Remain

The Army, FEMA, and the states and counties have been frustrated in attempts to implement CSEPP. As we and FEMA's Inspector General have reported, problems have stemmed from management weaknesses in the program and disagreements over respective roles and responsibilities.

Prior Reports Discuss Management Weaknesses

The Army has been slow in achieving its main objective of helping communities to enhance their emergency management capabilities because the program's (1) management roles and responsibilities are fragmented between Army and FEMA offices and are not well defined,

(2) planning guidance is imprecise, (3) the budget process lacks coordination and communications, and (4) financial data and internal controls are inadequate. Army and FEMA officials have differed and continue to differ on various aspects of program management, and consequently, CSEPP's effectiveness and efficiency continue to suffer.

In 1993, we testified that the Army had made little progress in achieving its main objective of helping communities prepare for emergencies involving chemical agent release.¹⁰ The lack of progress was partly because of management weaknesses at the federal level, including fragmented authorities and responsibilities and weak financial controls, that led to missed program milestones and delays in issuing program guidance. In 1994, we reported that the Army's management approach had not been effective and that communities near the chemical stockpile sites were not prepared to respond to a chemical stockpile emergency.¹¹

In 1995, we reported that program officials lacked accurate financial information to identify how funds were spent and ensure that program goals were achieved.¹² Because of inadequate financial data and internal controls, Army and FEMA could not provide reliable information on actual expenditures. Army and FEMA officials still do not have accurate financial information to identify how funds are spent. Specifically, records on expenditure data are limited; allocation data differ among federal, state, and local agencies; and states and counties maintain large unexpended balances of funds. According to Army and FEMA officials, the Office of Management and Budget's Circular A-102 limits the Army in requesting expenditure data from the states.

In July 1996, we reported that Alabama communities near the Anniston Army Depot were not prepared to respond to a chemical emergency because they lacked critical items. Although the communities had been allocated \$46 million, they had not spent \$30.5 million because federal, state, and local officials had not reached agreement on specific requirements for four projects. We concluded that the lack of progress was the result of management weaknesses at the Army and FEMA levels and inadequate action by state and local agencies.

¹⁰Chemical Weapons Storage: Communities Are Not Prepared to Respond to Emergency (GAO/T-NSIAD-93-18, July 16, 1993).

¹¹Chemical Weapon Stockpile: Army's Emergency Preparedness Program Has Been Slow to Achieve Results (GAO/NSIAD-94-91, Feb. 22, 1994).

¹²Chemical Weapons: Army's Emergency Preparedness Program Has Financial Management Weaknesses (GAO/NSIAD-95-94, Mar. 15, 1995).

Management Weaknesses
Cited by the FEMA
Inspector General

In February 1993, the FEMA Inspector General reported that CSEPP's reporting system did not provide timely, accurate, or consistent data and did not satisfy the management needs of either FEMA or the Army.¹³ Specifically, FEMA officials could not accurately account for how CSEPP funds were spent and Army officials lacked accurate data to determine whether funds were spent effectively.

Concerns Expressed by
State and County Officials

Several states and counties said that they were frustrated with the Army's and FEMA's joint management of CSEPP and needed greater discretion in the use of program funds (see table 4). However, Army officials expressed concern over providing the states greater discretion in the use of CSEPP funds because of past indiscretions. In 1995, we reported some of the indiscretions noted by the Army. For example, Arkansas reprogrammed \$413,000 in unobligated funds to construct office space, and Washington reprogrammed \$100,000 allocated for telecommunication equipment to design an emergency operations center without FEMA headquarters' approval.

¹³Audit of FEMA's Management of the Chemical Stockpile Emergency Preparedness Program, FEMA Inspector General (Feb. 1993).

Table 4: Selected States' and Counties' Comments About the Army and FEMA Management of CSEPP

Organization	Comment
Alabama Emergency Management Agency	If CSEPP was effectively managed, the program would be much farther along than it is now.
Clay County Emergency Management Agency, Alabama	CSEPP lacks federal leadership and guidance.
Etowah County Emergency Management Agency, Alabama	Substantive changes in the program's management, direction, and budget process are needed to make CSEPP effective.
Arkansas Office of Emergency Services	Federal agencies lack sensitivity to state and local requirements and micromanage the budget process.
Jefferson County Office of Emergency Services, Arkansas	Federal agencies need to improve CSEPP's lines of communications and coordination.
Colorado Office of Emergency Management	Federal agencies spend too much effort micromanaging and reevaluating every aspect of the state's program.
Kentucky Disaster and Emergency Services	Recent changes in CSEPP guidance, lines of communications, and responsibilities have hampered the progress of the program.
Maryland Emergency Management Agency	Inadequate and partial funding of CSEPP projects detracts from the state's ability to respond to a chemical stockpile emergency.
Baltimore County Office of Emergency Preparedness, Maryland	If program priorities and guidance were firmly established, CSEPP would be more effective and less costly.
Harford County Division of Emergency Operations, Maryland	The Army and FEMA roles and responsibilities are not clear, and they often dictate to state and local governments.
Oregon Emergency Management Agency	CSEPP lacks good communications, clear priorities, and timely decisions.
Morrow County Emergency Management, Oregon	The Army and FEMA roles and responsibilities are not clearly defined.
Utah Department of Public Safety	Federal micromanagement of CSEPP compromises the state's ability to plan, direct, implement, and evaluate the program.
Washington Military Department	Federal agencies lack clear direction, roles, and responsibilities.
Benton County Emergency Management, Washington	Federal agencies micromanage the program and make decisions with little or no coordination with the county.

Note: Based on our prior work and recent visits to 7 of the 10 states and several of their counties, we believe that these comments are valid and are based on justified concerns about the Army and FEMA management of the program.

As discussed later in this report, our work shows that the Army and FEMA have management problems and disagreements that have adversely affected CSEPP's effectiveness.

Efforts to Improve Program Management Have Been Frustrated by Continued Disagreements

Although Army and FEMA officials have acted in response to criticism and improved program management, the effectiveness of these actions has been limited by continued disagreements between Army and FEMA officials. Specifically, the lack of agreement prevented the Secretary of the Army from timely compliance with the statutory requirement to report on the implementation and success of CSEPP integrated process teams. Two important steps taken to improve the management of the program were to establish the CSEPP Joint Army/FEMA Team and implement the integrated process teams. However, based on FEMA's stated positions, we believe that the agency does not fully support the Joint Army/FEMA Team or site-specific integrated process teams. Because of these and other differences regarding their roles and responsibilities, Army and FEMA officials have not agreed to a long-term management arrangement for CSEPP.

Disagreements Over the Implementation of the CSEPP Joint Army/FEMA Team

In 1993, the Senate Committee on Appropriations reported that CSEPP's cost growth and program delays were unacceptable, and indicated that there were problems with the program's management structure.¹⁴ In addition, the Committee concluded that the Army and FEMA maintained a top-heavy bureaucratic organization to manage the program. The Committee directed the Army to (1) assume full management responsibility for the execution of CSEPP, (2) directly receive and review states' budget requests for program funds, (3) tighten program controls and ensure timely improvements in local capabilities to respond to a chemical stockpile emergency, (4) streamline CSEPP's management structure, (5) reevaluate FEMA's role in CSEPP, (6) establish milestones for critical CSEPP projects, and (7) establish strict financial controls to ensure accountability over program funds. Although the Army established the CSEPP Joint Army/FEMA Team in response to this direction, the team has not functioned as the Army intended. Specifically, CSEPP's management structure was not streamlined, and the Army and FEMA continue to share responsibility for executing CSEPP, receiving and reviewing states' budget requests, and implementing financial controls over program funds.

According to the CSEPP Joint Army/FEMA Team's charter, dated January 6, 1995, the joint team was intended to (1) establish a focal point for accountability of the program, (2) coordinate and integrate on- and off-post activities, and (3) create an environment for teamwork. However, according to DOD officials, the team has not functioned as intended. According to FEMA officials, the establishment of the joint team has posed

¹⁴Senate Report No. 103-158, at 368-369 (1993).

several management challenges to FEMA, including the differentiation between the roles and responsibilities of the team and FEMA's regional offices. FEMA officials have proposed that the Army eliminate the joint team and associated staffing.

In August 1996, the Program Manager for Chemical Demilitarization reported that, in some situations, FEMA's implementation of the charter had inhibited the progress of CSEPP.¹⁵ According to the Program Manager, pressure from FEMA headquarters' officials to have the agency's joint team members spend more of their duty time at FEMA headquarters' and less with the joint team had impeded their integration with Army's members. The Program Manager concluded that communications with the CSEPP participants and coordination with the Army had been adversely affected. In response, FEMA's Deputy Associate Director for Preparedness, Training, and Exercises agreed that the program was not functioning as effectively as it should and that respective roles, responsibilities, and working relationships needed to be clarified.

Disagreements Over the Implementation of CSEPP Integrated Process Teams

In the 1997 National Defense Authorization Act (P.L. 104-201, section 1076), the Congress directed the Secretary of the Army to submit a report, within 120 days of the law's enactment, that assessed the implementation and success of the site-specific integrated process teams. The act further states that if the Army and FEMA were unsuccessful in implementing the integrated process teams within each of the participating states within 120 days, the Secretary of the Army shall (1) assume full control and responsibility for the program by eliminating the role of the FEMA Director as a joint manager; (2) clearly define the goals of the program; (3) establish fiscal constraints for the program; and (4) agree with each of the participating states regarding program requirements, implementation schedules, training and exercise requirements, and funding to include direct grants for program support.

In January 1997, the Assistant Secretary of the Army for Research, Development, and Acquisition, reported that the Army was unable to provide the report on January 28, 1997, as required, because of delays in scheduling required training and the subsequent establishment of site-specific integrated process teams.¹⁶ The Army views these teams as a

¹⁵The Army's Program Manager for Chemical Demilitarization letter to FEMA's Deputy Associate Director for Preparedness, Training, and Exercises (Aug. 20, 1996).

¹⁶Assistant Secretary of the Army for Research, Development, and Acquisition letter to the Chairman, Senate Committee on Armed Services (Jan. 30, 1997).

mechanism for identifying issues, developing solutions, and integrating program plans and budget submissions among CSEPP jurisdictions at each stockpile location. The teams will make recommendations to Army and FEMA officials for consideration and determine solutions to site-specific issues. The Assistant Secretary's letter included an interim status of the formation of the site-specific integrated process teams, concluding that the training and formation of the teams were nearing completion. He also reported that FEMA headquarters had some concerns over the efficiency of the integrated process teams. In contrast, the FEMA regions were supporting the teams.

In March 1997, the Assistant Secretary of the Army for Research, Development, and Acquisition, reported to the Chairman of the House Committee on National Security that the Army was unable to provide the report, as required, because Army and FEMA officials had not reached agreement on the long-term management structure for CSEPP and on the implementation of integrated process teams at the management and working levels. While training and implementation of the working-level integrated process teams had been completed, he said that it was necessary to further delay the submission of the report on the implementation and success of the teams until May 30, 1997.¹⁷ The Assistant Secretary concluded that, if the Army and FEMA were unsuccessful in reaching an agreement on the long-term management structure for CSEPP and integrated process teams, the Army would assume full control and responsibility for the program. According to FEMA's comments on a draft of this report, FEMA officials disagree with Army's conclusions in the letters complying with the legislative reporting requirement.

Several state and local officials we visited were pleased with the initial results of the teams. However, others expressed concern that the teams may be good in theory but only add another layer of bureaucracy to the program. For example, officials in Oregon and Kentucky expressed concern over which agency or integrated process team would be responsible for making final decisions.

Although FEMA has participated in CSEPP's integrated process teams, its concept for site-specific integrated process teams differs from the Army's concept, and the agency has not signed the Army's proposed memorandum implementing the integrated process teams. Specifically,

¹⁷On May 30, 1997, the Assistant Secretary of the Army (Installations, Logistics, and Environment) informed the Congress that the report would be delayed until July 15, 1997.

FEMA does not want the Army involved in off-post CSEPP activities and wants to eliminate the Army from site-specific integrated process teams. FEMA's desire to eliminate the Army from site-specific integrated process teams is inconsistent with the tenets of the process and does not recognize the Army's position that they should work as partners.

Army and FEMA Officials Disagree on FEMA's Future Role

In September 1996, FEMA's Deputy Associate Director for Preparedness, Training, and Exercises reported that the Army and FEMA had very different management styles and philosophies and that the current approach was not working.¹⁸ She concluded that attempts to combine Army and FEMA approaches in developing off-post preparedness capabilities have resulted in delays and conflicting messages to participating states. Additional FEMA correspondence indicates that the agency continues to want to manage all off-post activities with little or no Army involvement.

In October 1996, the Army Program Manager for Chemical Demilitarization agreed that Army's and FEMA's management styles were different and added that relationships were strained and leadership was less effective than desired.¹⁹ The Program Manager reported that maintaining the current management structure would continue regional and state confusion over the program's leadership and prolong the program's problems. He concluded that FEMA's participation in CSEPP was preferred but suggested that FEMA's role and personnel involved in the program be reduced. (See app. V.) He rejected options to eliminate either the Army's or FEMA's role in the program.

The Program Manager also provided FEMA with a draft memorandum reorganizing CSEPP. The memorandum identifies the Army Project Manager for CSEPP as the primary program decision-making authority and the site-specific integrated process teams as the primary means of carrying out the program. FEMA officials said they had not agreed to the reorganization because of questions over the integrated process teams and FEMA's future role in the program. Because of these and other differences regarding their roles and responsibilities, the Army and FEMA have not agreed to a management arrangement for CSEPP after September 1997.

¹⁸FEMA's Deputy Associate Director for Preparedness, Training, and Exercises letter to the Army's Program Manager for Chemical Demilitarization (Sept. 20, 1996).

¹⁹The Army's Program Manager for Chemical Demilitarization letter to FEMA's Deputy Associate Director for Preparedness, Training, and Exercises (Oct. 9, 1996).

Conclusions and Recommendations

We believe that the future effectiveness of CSEPP is at risk given the continuing disagreements between Army and FEMA officials and that high-level management attention is needed to clearly define CSEPP management roles and responsibilities. Therefore, we recommend that the Secretary of the Army and the Director of FEMA work together to complete the mandated assessment of the implementation and success of integrated process teams by July 15, 1997. We also recommend that, as part of this assessment, the Secretary and the Director reach agreement on a long-term management structure for CSEPP that clearly defines the roles and responsibilities of Army and FEMA personnel. Should the Secretary and the Director be unable to complete their assessment and issue a report that includes a plan for revising CSEPP's management structure, we recommend that the Secretary of the Army implement the requirements of the 1997 National Defense Authorization Act to (1) assume full control and responsibility for the program and eliminate the role of the FEMA Director as a joint manager; (2) clearly define the goals of the program; (3) establish fiscal constraints for the program; and (4) agree with each of the participating states regarding program requirements, implementation schedules, training and exercise requirements, and funding to include direct grants for program support.

Agency Comments and Our Evaluation

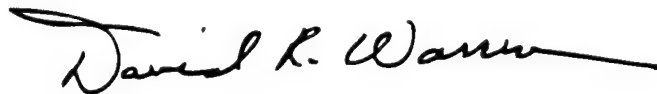
We received written comments on a draft of this report from both DOD and FEMA, and they are presented in their entirety in appendixes VI and VII, respectively. DOD concurred with the report and its recommendations. FEMA generally concurred with the recommendations but strongly disagreed with our conclusions. Our evaluation of FEMA's overall response is presented below and our specific comments are presented in appendix VII. We also added information to the report to more fully reflect FEMA's position. DOD and FEMA also provided technical corrections and clarifications and, where appropriate, we incorporated them in the report as well.

FEMA disagreed with our assessment that the program is at risk because of its ongoing differences with the Army. FEMA noted that it has been working closely with the Army to clarify roles, responsibilities, and working relationships and resolve the differences as soon as possible. While we agree that FEMA and the Army have been discussing this issue, it continues to go unresolved after more than a year of discussions. Our concern is not whether the Army's or FEMA's approach to resolving the management issue is the more appropriate; we are concerned that CSEPP's implementation is being delayed because this issue has not been resolved. As a consequence,

the program's goal of providing communities with items critical to responding to a chemical stockpile emergency remains to be achieved after 9 years and funding of \$431.4 million.

We prepared this report under our basic legislative responsibilities. We are providing it to you because of your oversight responsibilities for chemical weapons disposal programs. We are also sending copies of this report to the Secretaries of Defense and the Army, the Directors of the Office of Management and Budget and FEMA, and other interested parties. We will make copies available to others upon request.

Please contact me at (202) 512-8412 if you or your staff have any questions. Major contributors to this report are listed in appendix VIII.

A handwritten signature in black ink, reading "David R. Warren". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David R. Warren, Director
Defense Management Issues

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Abbreviations

CSEPP	Chemical Stockpile Emergency Preparedness Program
DOD	Department of Defense
FEMA	Federal Emergency Management Agency
FEMIS	Federal Emergency Management Information System

Objectives, Scope, and Methodology

In July 1996, we reported that 8 years after the Chemical Stockpile Emergency Preparedness Program's (CSEPP) inception, Alabama communities near Anniston Army Depot were not fully prepared to respond to a chemical stockpile emergency because they lacked critical items. Given the lack of progress in Alabama's CSEPP and prior CSEPP management weaknesses we have reported on, we conducted a follow-up review to (1) assess CSEPP's progress in enhancing emergency preparedness in all 10 states participating in the program and (2) identify opportunities to improve program management.

To assess CSEPP's progress in enhancing emergency preparedness in the states participating in the program, we examined a variety of Army, Federal Emergency Management Agency (FEMA), state, and county planning and funding documents and reconciled data among the Army, FEMA, and state and county emergency management agencies. We interviewed and obtained and analyzed data on the status of CSEPP projects from officials of the Army Program Manager for Chemical Demilitarization and the CSEPP Joint Army/FEMA Team located at Edgewood, Maryland, and from officials of the Aberdeen Proving Ground, Maryland; the Anniston Army Depot, Alabama; the Pine Bluff Arsenal, Arkansas; the Pueblo Depot Activity, Colorado; the Tooele Army Depot, Utah; and the Umatilla Depot Activity, Oregon. We also met with officials from FEMA headquarters and regional offices in Atlanta, Georgia, and Bothell, Washington. Although we met with officials from the Army installations where the chemical stockpile munitions are stored, we did not try to assess the status of the installations' emergency preparedness programs.

To observe emergency preparedness operations and facilities, we visited Alabama and its Calhoun and Talladega counties, Arkansas and its Jefferson and Grant counties, Colorado and its Pueblo county, Maryland and its Harford and Baltimore counties, Oregon and its Morrow and Umatilla counties, Utah and its Tooele and Salt Lake counties, and Washington and its Benton county. We also interviewed and obtained data on the status and costs of CSEPP projects from emergency management officials in Illinois, Indiana, and Kentucky. In addition, we sent questionnaires to the 10 state and 40 county program directors at the end of 1995 to obtain data on the status of their emergency preparedness programs and on their views of the Army's and FEMA's joint management of the program. All state and county program directors responded to our questionnaire. We updated portions of the questionnaire responses through interviews and data collection instruments in October 1996 through February 1997. For those critical projects not yet completed, we

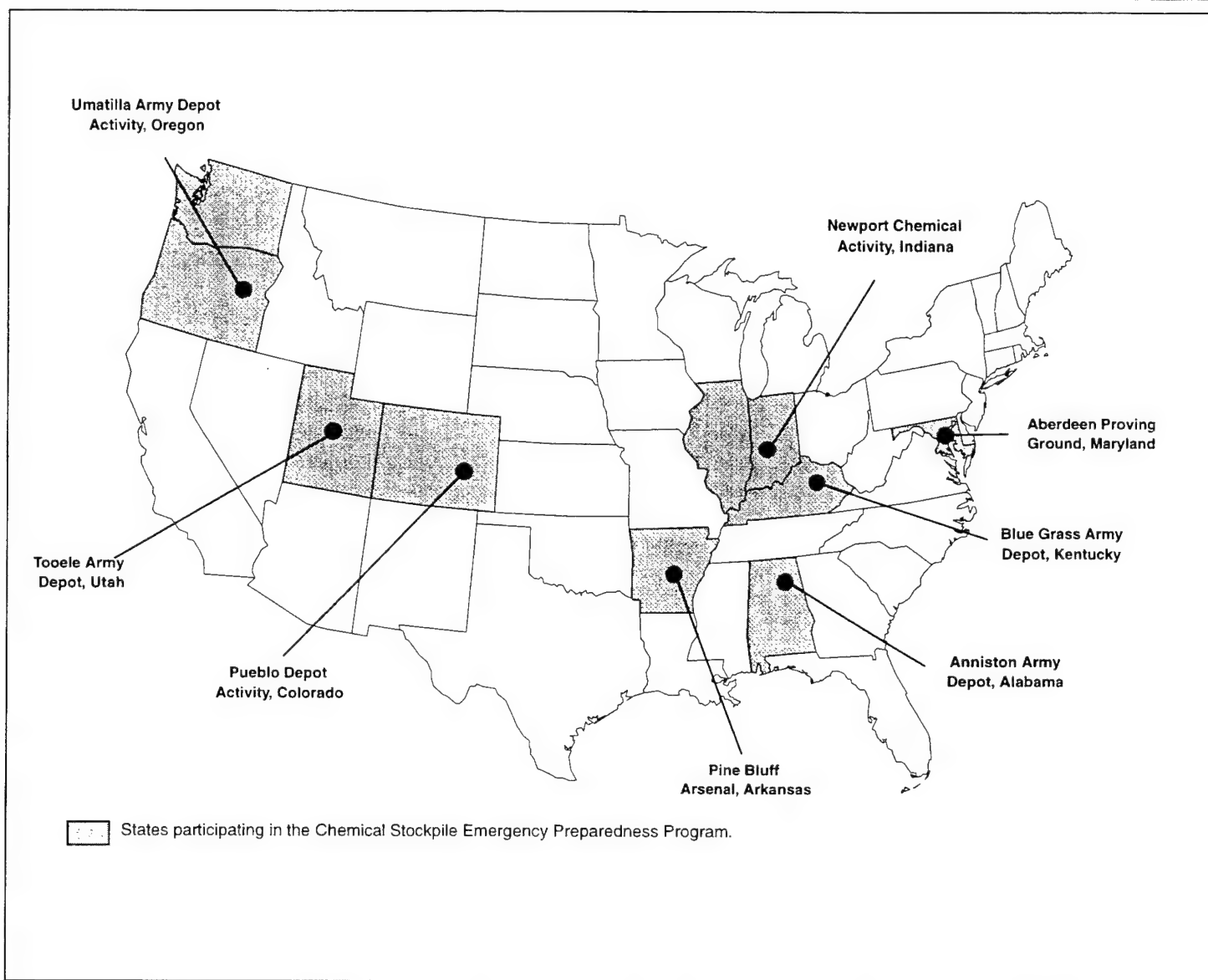
did not attempt to determine their impact on emergency preparedness and risk to the local population, but we identified and analyzed the reasons for the delay in their implementation.

To identify opportunities to improve program management, we discussed the actions the Army has taken and further actions that should be taken to improve the program with Army, FEMA, state, and local officials. We also discussed the impact of the Army's actions and reviewed planning documents, progress reports, memoranda, and correspondence. We discussed the CSEPP benchmarks and guidance with federal, state, and local officials to determine how this guidance was applied in implementing the program. Furthermore, we compared planning and operational data for CSEPP projects with the benchmarks and guidance and determined whether the projects complied with program requirements and time frames. To assess the effectiveness of the federal, state, and county management, we reviewed the Army's and FEMA's management structure and guidance and compared them with state and local requirements and concerns. We also documented and analyzed the magnitude and impact of state and county emergency management agencies' involvement in the funding process, federal feedback on the budget process, partial funding of projects, and slow disbursements of funds.

The Department of Defense (DOD) and FEMA provided written comments on a draft of this report and they are presented in their entirety in appendixes VI and VII, respectively. DOD agreed with the recommendations in our draft report. FEMA generally concurred with the recommendations but strongly disagreed with our conclusions. Our evaluation of FEMA's specific points is presented in appendix VII. DOD and FEMA also provided technical clarifications and, where appropriate, we incorporated them in the report.

Our review was conducted from August 1996 to March 1997 in accordance with generally accepted government auditing standards.

Chemical Stockpile Locations in the Continental United States



Source: Based on data provided by the Army's Program Manager for Chemical Demilitarization.

Funds Allocated to CSEPP Entities in Fiscal Years 1988-96

Dollars in thousands

Entity	Amount	Percent
Army headquarters and commands	\$27,846.2	6.5
Army installations	36,070.1	8.4
Army major contracts (over \$100,000) ^a	88,195.0	20.4
Other Army contracts ^a	398.3	0.1
FEMA headquarters and regions	14,667.0	3.4
FEMA contracts ^a	28,567.4	6.6
Alabama and counties	54,808.6	12.7
Arkansas and counties	22,030.5	5.1
Colorado and county	14,670.6	3.4
Illinois and counties	3,877.1	0.9
Indiana and counties	14,336.7	3.3
Kentucky and counties	21,194.6	4.9
Maryland and counties	19,382.5	4.5
Oregon and counties	25,303.0	5.9
Utah and counties	27,991.2	6.5
Washington and county	17,184.2	4.0
Other entities	1,093.1	0.3
Not allocated	13,766.4	3.2
Total	\$431,382.5	100.0

^aAccording to the Army and FEMA, these contracts support the entire CSEPP community and include direct support to Army installations; the development of program guidance, training courses, and computer programs; and the procurement of personal protective equipment and computer hardware and software.

Source: The Army's Project Manager for CSEPP.

Acquisition and Installation of Essential CSEPP Projects Are Behind Schedule

Implementation of projects needed to respond to a chemical stockpile emergency is behind schedule. States and local communities still lack items critical to responding to a chemical stockpile emergency, including integrated communication systems, personnel protective equipment, personnel decontamination equipment, sheltering-in-place enhancements, and alert and notification systems.

The Final Automated Information System Continues to Experience Problems

In 1994, officials estimated that the installation of the final CSEPP automated information system would be completed by July 1995. The CSEPP automated information system—computer equipment and software—is required to support planning and managing emergency response activities. The process of determining appropriate protective actions is too complex and time-consuming to perform manually during a chemical stockpile emergency. Computer equipment and software are considered essential in helping local officials to plan for the appropriate protective actions. In 1993, the Army and FEMA started to develop a standard automated information system, called the Federal Emergency Management Information System (FEMIS), with the specifications of software requirements by the CSEPP community. The Army started testing FEMIS in September 1994, and since then, the system has undergone eight tests, culminating in the government acceptance test in Alabama. Although the Army spent \$14.7 million on FEMIS,¹ the system still has problems.

During the period September 9 through 20, 1996, the Army tested FEMIS at the Anniston CSEPP site, and the system met most performance measures. The test plan identified 75 measures of performance. Of these, 59 were satisfied, 5 failed, and 11 were not tested. According to personnel participating in the test, however, the system was slow and cumbersome. In addition, the reliability, availability, and maintainability parameters for FEMIS had not been established and were not evaluated as in a traditional operational test. The test was structured to determine the level of confidence that the reliability, availability, and maintainability of the system is progressing. Test results indicated that FEMIS was available for 61 percent of the training and test period. The predominant reason for the system's unavailability was its inability to update data from one CSEPP location to another, which occurred when power at a CSEPP site either surged or was interrupted. For example, during the test, the Alabama emergency operations center was struck by lightning. Other sites experienced interruptions in telephone connections when the local telephone company was making repairs and when nearby construction

¹Funding is through fiscal year 1996.

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workers cut a telephone cable. Hardware and software maintenance was outside the scope of the test and was not evaluated.

Because of the system's technical problems and requirement for supplemental personnel, Army and FEMA officials decided in 1996 that FEMIS was the preferred but optional system. As a result, the system may not be adopted by all participating states and counties (see table IV.1). Until FEMIS is operational, CSEPP states and counties are using interim automated information systems—computer equipment and software—to support planning and managing emergency response activities. These interim systems include the Army's Emergency Management Information System (designed to be used by Army installations where the chemical stockpile weapons are stored) and Integrated Baseline System (designed to be used by the off-post communities).

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Table IV.1: Status of CSEPP Automated Information Systems, by Location

Location	Status
Alabama and counties	The state and counties are now using the on-post Emergency Management Information System. The state and counties may decide to field FEMIS.
Arkansas and counties	At the beginning of 1997, the state and counties installed the Emergency Management Information System. Final selection of the automated information system will be based on the results of FEMIS' government acceptance test.
Colorado and county	Pueblo County is now using the Emergency Management Information System. The state and county may select either the Emergency Management Information System or FEMIS depending on the results of the government acceptance test of FEMIS. Full implementation at Pueblo County depends on CSEPP's providing adequate support for the system and network management. Negotiations with FEMA for contract support are continuing.
Illinois and counties	The state and counties are now using the Emergency Management Information System. The state has requested \$100,000 for computer equipment and work stations. Final selection of the automated information system will be based on the results of FEMIS' government acceptance test.
Indiana and counties	The state and counties are currently using the Emergency Management Information System. Final selection of the automated information system will be based on the results of FEMIS' government acceptance test.
Kentucky and counties	The state and county will be using the Emergency Management Information System and plan to switch to FEMIS.
Maryland and counties	The state and counties are now using a variety of over-the-counter software, including the Emergency Information System and SoftRisk, and have detached copies of the Emergency Management Information System. The state and counties are not connected to the automated information system at Aberdeen Proving Ground, but funding was provided for the connection for the state and Harford County in fiscal year 1997. Final selection of the automated information system will be based on the results of FEMIS' government acceptance test and correction of faults.
Oregon and counties	The state and counties are currently using the Integrated Baseline System, but plan to switch to FEMIS.
Utah and counties	The state and counties are using FEMIS, but the system is not fully operational. Tooele County is using portions of the Emergency Management Information System to communicate with the Tooele Army Depot for the daily work plans and hazard assessments. The county decided to use the Emergency Management Information System and not FEMIS.
Washington and county	Equipment has been purchased, installed, and configured for the installation of FEMIS. At the discretion of the Army, the installation of FEMIS software is expected in mid-May 1997.

Most Emergency Operation Centers Are Fully Operational

In 1993, the Army and FEMA agreed that each Army installation and immediate response zone county should have a functioning emergency operations center where responsible officials can gather to direct and coordinate emergency operations, speak with other jurisdictions and emergency response officials in the field, and formulate protective action decisions.

Benton County, Washington; Harford County, Maryland; Vermillion County, Indiana; the state of Colorado; and Morrow and Umatilla counties, Oregon; are constructing or trying to upgrade their emergency operation centers. At an estimated cost of \$1.5 million, Benton County's center is scheduled to be completed by August 1997. Construction of a new operations center in Harford County, Maryland, is scheduled to be completed in mid-May 1997. In Indiana, Vermillion County is trying to upgrade its emergency operations center to better support the CSEPP automated information system. Vermillion County has set aside \$140,000 for the project but received a contractual bid of \$197,000 for the project. The county is requesting \$57,000 in CSEPP funds to pay for the funding shortfall. In fiscal year 1996, Colorado requested \$20,000 to determine the requirements for a state-operated emergency operations center, but the request was denied.² The state requested funding again in fiscal year 1997.

According to local officials in Oregon, the Morrow County emergency operations center does not meet CSEPP requirements. In fiscal year 1992, the Army and FEMA provided Morrow County \$315,000 to renovate an existing building for the county's emergency operations center. The Morrow County Emergency Management Director said that his center has limited capacity, lacking adequate space for CSEPP equipment, and should be expanded.³ In Umatilla County, construction of the new CSEPP emergency operations center is scheduled to be completed in February 1998.

Most CSEPP Communication Systems Are Fully Operational

In 1992, the Army and FEMA determined that every CSEPP jurisdiction should have a functioning communications system connecting the Army installation, state emergency management agency, and immediate response zone counties. The system should provide direct, reliable, and redundant communications capabilities to interagency and intra-agency emergency response workers. Currently, 5 of the 10 CSEPP states have fully operational CSEPP communication systems. The communication systems in Alabama, Kentucky, and Oregon do not meet program standards, and Illinois and Utah are upgrading their communication systems. (See table IV.2.)

²The Pueblo County Emergency Operations Center has been operational since 1992.

³The center includes office space and a holding cell for the county sheriff.

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Table IV.2: Status of CSEPP Communication Systems, by Location

Location	Status
Alabama and counties	The primary CSEPP communications system is not operational, but is fully funded. The county project manager expects to begin operational testing in August 1997 and begin operations in March 1998.
Arkansas and counties	The CSEPP communications system is operational.
Colorado and county	The CSEPP communications system is operational.
Illinois and counties	The state is upgrading its CSEPP communications system.
Indiana and counties	The CSEPP communications system is operational.
Kentucky and counties	The funded elements of the communications system are operational. The state wants to expand the current system and requested additional funds in fiscal year 1997. Funding was deferred, pending completion of a cost-sharing agreement between the state and Madison County.
Maryland and counties	The CSEPP communications system is operational.
Oregon and counties	Oregon is experiencing contractual and technical problems in implementing the CSEPP communications system, and the system is not fully operational. These problems are considered significant, and the completion date of the system is not known. The project is managed by the state of Oregon.
Utah and counties	According to county officials, the CSEPP communications system is not fully operational. Two new microwave links are required to provide proper communications coverage linking the state and counties. Partial funding was approved, but a second allocation is needed to purchase and install the equipment. Tooele County also needs to replace two obsolete microwave links that provide voice and data communications and siren activation capabilities. Army officials said that the current CSEPP communications system in Utah was operational without these upgrades.
Washington and county	The CSEPP communications system is operational.

Personal Protective Equipment Purchases Are Scheduled for Completion in 1997 and 1998

Personal protective equipment has been considered a critical response requirement for several years. In July 1994, the Argonne National Laboratory concluded there was a potential for the aerosol deposition of agents off post from a chemical stockpile accident.⁴ The deposition creates the requirement for personal protective equipment, which includes portable respirators, protective suits, gloves, boots, and hoods. Because of their assigned traffic, decontamination, health, and other critical response duties at the periphery of the chemical plume, local emergency workers may find themselves in danger of contamination from an unexpected shift in the plume. Although the states received funding for the equipment in 1995 or before, only communities in Utah have the required personal protective equipment. Other CSEPP jurisdictions are now determining requirements or acquiring the equipment. These projects are scheduled to be completed in 1997 and 1998. (See table IV.3.)

⁴Potential for Surface Contamination by Deposition of Chemical Agent Following Accidental Release at an Army Storage Depot, Argonne National Laboratory (July 1994).

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Table IV.3: Status and Funding of CSEPP Personal Protective Equipment, by Location

Location	Status	Funding^a
Alabama and counties	The project is not completed. According to state officials, only a portion of the requirement has been funded. Talladega County has received government-furnished equipment, and Calhoun County is now acquiring the equipment. Procurement of additional equipment will be based on a needs assessment, scheduled to be completed in late 1997.	\$850,000
Arkansas and counties	The project is not completed. The equipment was funded in September 1995 and will be purchased based on recommendations of the Arkansas integrated process team.	720,000
Colorado and county	The project is not completed. The equipment was funded in fiscal year 1995 and part of the equipment is scheduled to be purchased in early 1997. Issues regarding the remaining equipment are being negotiated by Army and FEMA officials.	760,000
Illinois and counties	The project is not completed. The equipment was funded in fiscal year 1995 and is scheduled for delivery in mid-1997.	200,000
Indiana and counties	The project is not completed. The equipment was funded in fiscal year 1995, 400 suits have been received, and the protective masks are scheduled for delivery in July 1997.	400,000
Kentucky and counties	The project is not completed. The equipment was funded in fiscal year 1995. It will be purchased based on the state's needs assessment, to be completed in October 1997.	400,000
Maryland and counties	The project is not completed. Equipment was funded in fiscal year 1995, but the funds were retained at the state pending completion of a federal, state, and county team's review and selection of equipment. However, this effort was placed on hold, pending the results of the Maryland integrated process team's examination of all aspects of CSEPP in the state.	1,240,000
Oregon and counties	The project is not completed. The equipment was funded in fiscal year 1995 and 277 protective masks were received in January 1997. Federal, state, and local officials disagree over which protective suit to purchase and whether an additional person is needed to support and care for the personal protective equipment.	420,000
Utah and counties	The project is completed. The equipment was funded in fiscal year 1993 and received in December 1996.	648,000
Washington and county	The project is not completed. The equipment was funded in 1995, but no procurement action will be taken, pending the completion of negotiations over monitoring requirements and the appropriate type of equipment.	445,000

^aAllocated funds for fiscal years 1988-96.

Personnel Decontamination Equipment Purchases Are Scheduled for Completion in 1997

The most urgent decontamination priority during a chemical stockpile emergency is the cleansing of people contaminated with chemical agents. The decontamination process helps to minimize the effects on people's health and to prevent the spread of agents to other people. Communities in Arkansas and Utah have operational decontamination units. The remaining locations have received funding for personnel decontamination units and are conducting need assessments, acquiring the equipment, or requesting additional equipment to move the units. The decontamination projects are scheduled to be completed in 1997. (See table IV.4.)

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Table IV.4: Status and Funding of Personnel Decontamination Equipment, by Location

Location	Status	Funding ^a
Alabama and counties	The project is not completed. Four decontamination units were funded in fiscal year 1995 and delivered to Calhoun County in February 1996. The Alabama Department of Public Health has purchased and delivered small decontamination units to each of the nine hospitals in the area. According to Alabama Emergency Management Agency officials, there is an unmet requirement for more than 10 additional decontamination units.	\$216,000
Arkansas and counties	The project is completed.	517,000
Colorado and county	The project is not completed. Four decontamination units were funded in fiscal year 1995 and are scheduled for delivery in 1997.	240,000
Illinois and counties	The project is not completed. Eight decontamination units were funded in fiscal year 1995. Federal and state officials are negotiating design requirements.	64,000
Indiana and counties	The project is not completed. Four decontamination units were funded in fiscal year 1995 and are scheduled for delivery in December 1997.	44,000
Kentucky and counties	The project is not completed. Kentucky's needs assessment was completed in October 1996. Five decontamination units were funded in fiscal year 1995 to cover basic requirements, and the units are scheduled for delivery by September 1997.	250,000
Maryland and counties	The project is not completed. Equipment was funded in fiscal year 1995, but the funds were retained at the state, pending completion of a federal, state, and county team's review and selection of equipment. ^b	35,684
Oregon and counties	The project is not completed. Four decontamination units were funded in fiscal year 1995. Federal and county officials are negotiating the type of decontamination units to purchase.	200,000
Utah and counties	The project is completed. Four decontamination units were purchased.	291,000
Washington and county	The project is not completed. The initial proposal covers the equipment costs for the main traffic control points and a reception center and includes four small decontamination trailers and equipment for the construction of decontamination stations.	152,000

^aAllocated funds for fiscal years 1988-96.

^bThis effort was placed on hold pending the results of the Maryland integrated process team's review of all aspects of CSEPP in the state. As a result of this review, CSEPP requirements have been reduced. Inflatable decontamination tents and some equipment were purchased in 1997 to augment Harford County's existing decontamination capabilities.

Additional Sheltering-in-Place Projects Are Anticipated

Program documents state that people closest to most stockpile storage sites will not have time to evacuate and will remain in place during a chemical stockpile release. Sheltering-in-place enhancements can be as simple as taping doors and windows or as elaborate as installing pressurized air filtration systems in schools, hospitals, jails, community centers, and public buildings. Pressurization systems draw outside air into the shelter through a filter that removes the chemical agent. The pressure from this filtered air increases to the point that the contaminated air from the outside cannot leak into the facility. Pressurized air-filtration systems have been completed in Arkansas and Maryland and are scheduled for

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completion in Alabama, Colorado, Indiana, and Oregon. Communities in Illinois, Kentucky, Utah, and Washington are located too far from the chemical stockpile sites to require pressurized air-filtration systems for their facilities. (See table IV.5.)

Table IV.5: Status and Funding of CSEPP Pressurization Projects, by Location

Location	Status	Funding^a
Alabama and counties	The pressurization projects are not completed. In fiscal years 1995 and 1996, the state received funding for pressurization of 37 facilities in Calhoun County. The projects are scheduled to be completed by June 1999. State and county officials believe that additional projects will be funded in the future.	\$7,400,000
Arkansas and counties	The pressurization project is completed.	140,175
Colorado and county	The pressurization projects are not completed. Two projects in the immediate response zone were funded in fiscal year 1995 and are tentatively schedule to be completed in late 1997. According to Army officials, the lack of adequate action by the county has delayed this project.	200,000
Illinois and counties	There is no requirement.	
Indiana and counties	The pressurization projects are not completed. Vermillion County plans to protect the county jail. Funding has not been spent, pending the results of a technical review of the project. County officials expect that additional funding will be needed to complete the project.	87,500
Kentucky and counties	There is no requirement.	
Maryland and counties	The pressurization projects are near completion. Pressurization equipment was installed in four Harford County schools in fiscal year 1996 and completed and tested in January 1997. As a result of additional FEMA guidance in January 1997, the county and its contractors are considering additional changes to the pressurization projects. County officials estimate that additional costs of \$300,000 and delays of 6 months may be realized.	1,016,100
Oregon and counties	The pressurization projects are not completed. In fiscal years 1994 and 1995, the state received funding for the pressurization of 14 facilities in Morrow and Umatilla counties. Morrow County projects are scheduled to be completed in 1997. Umatilla County has requested additional funding to complete its projects.	2,800,398
Utah and counties	There is no requirement.	
Washington and county	There is no requirement.	

^aAllocated funds for fiscal years 1988-96.

Most Alert and Notification Systems Are Scheduled for Completion in 1997 and 1998

During the initial minutes of a chemical stockpile emergency, sirens and tone alert radios should instruct government officials, emergency response workers, and residents on what protective actions to take. Outdoor sirens with voice message capability can alert the population of the emergency and provide instructional messages about appropriate protective actions. Tone alert radios are placed in homes, schools, hospitals, jails, nursing homes, and businesses to provide alert signals and instructional messages.

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Initially, CSEPP officials planned to have alert and notification equipment installed and tested by October 1992. In 1994, we reported that program officials anticipated that sirens would be installed at all eight storage sites by January 1995 and that tone alert radios would be installed at six sites by October 1995.

Communities in 6 of the 10 CSEPP states have operational siren systems. Communities in Illinois are located too far from the Newport Chemical Activity, Indiana, to require a system. The remaining siren systems are scheduled to be completed in 1997 and 1998. (See table IV.6.)

Table IV.6: Status and Funding of Outdoor Siren Systems, by Location

Location	Status	Funding ^a
Alabama and counties	The siren system is operational. The first installment is completed, but county officials anticipate that the county will need additional sirens.	\$2,417,602
Arkansas and counties	The siren system is operational.	1,312,368
Colorado and county	The siren system is not completed. Federal funding was allocated in 1994 for sirens. A sound propagation study was completed in February 1996, and funds for the siren system are scheduled to be committed in late 1997.	475,000
Illinois and counties	There is no requirement for sirens.	
Indiana and counties	The siren system is operational.	1,061,288
Kentucky and counties	The siren system is operational.	873,244
Maryland and counties	The siren system is not fully operational. The contract was awarded in April 1996, and installation and testing were completed in December 1996 and January 1997, respectively. As a result of problems encountered during the initial test, the final 60-day test and prove-out period has been delayed, and the state will not take possession of the system until the period is successfully completed.	1,294,700
Oregon and counties	Forty-two sirens were installed, but the system is not operational. The project is managed by the state of Oregon.	1,373,758
Utah and counties	The siren system is operational.	1,755,771
Washington and county	The siren system is operational. Testing of the siren system was completed in February 1997.	1,687,406

^aAllocated funds for fiscal years 1988-96.

In general, homes and buildings in communities near the chemical stockpile sites do not have tone alert radios. The exception is Kentucky, where 5,000 radios have been installed and additional radios are scheduled to be installed in 1997 and 1998. Most of the remaining indoor alert radio projects are scheduled to be completed in 1997 and 1998. (See table IV.7.)

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Table IV.7: Status and Funding of Indoor Alert Radio Projects, by Location

Location	Status	Funding^a
Alabama and counties	The project is not completed. The radios are scheduled to be installed in December 1998, pending completion of the demographics survey in April 1998.	\$4,002,850
Arkansas and counties	The project is not completed. The radios are scheduled to be installed in October 1997.	2,043,720
Colorado and county ^b	The project is not completed. Funds for the tone alert radios and infrastructure were allocated in fiscal year 1995 and are scheduled to be committed by late 1997.	600,000
Illinois and counties	There is no requirement for tone alert radios.	
Indiana and counties	The project is not completed. The state estimates that the project will cost \$1,319,500 to complete. The radios are scheduled to be installed and operational by July 1997.	1,319,500
Kentucky and counties	The project is partially completed. Ten thousand radios have been delivered, of which 5,000 have been installed; the remaining 5,000 radios are scheduled to be installed in mid-1997. Additional radios are scheduled to be purchased and installed by March 1998.	3,890,371
Maryland and counties	The project is not completed. Requirements for tone alert radios will not be addressed until the Maryland integrated process team completes its review of all aspects of CSEPP in the state. According to Harford County officials, it is possible that few or no tone alert radios will be needed.	650,000
Oregon and counties ^b	The project is not completed. Procurement of the radios is deferred, pending completion of a review of alternatives to tone alert radios. The review is scheduled to be completed in 1997.	3,713,300
Utah and counties	The project is not completed. Installation of tone alert radios in households is in progress and scheduled to be completed in mid-1997. The procurement of enhanced radios with printing capabilities for special need populations and facilities is in progress and scheduled to be completed at the end of 1997.	574,570
Washington and county ^b	The project is not completed.	100,000

^aAllocated funds for fiscal years 1988-96.

^bIn an effort to reduce the cost of each tone alert radio through economies of scale, Colorado, Oregon, and Washington are attempting to combine their purchases.

Army's Proposed Full-Time Equivalent Positions for FEMA in Support of CSEPP

Position	Location	Full-time equivalent
CSEPP Joint Army/FEMA Team action officers	Edgewood, Maryland	6
Clerical and administrative support	Edgewood, Maryland	2
Information technology support	Olney, Maryland	As needed
Emergency Management Institute	Emmittsburg, Maryland	1
Exercise support	Washington, D.C.	2
Public affairs support	Washington, D.C.	1
Financial and administrative support	Washington, D.C.	2
Planning and federal preparedness coordination	Washington, D.C.	1
Clerical and administrative support	Washington, D.C.	1
Action officers, FEMA Region III	Philadelphia, Pennsylvania	3
Action officers, FEMA Region IV	Atlanta, Georgia	4
Action officers, FEMA Region V	Chicago, Illinois	3
Action officers, FEMA Region VII	Kansas City, Missouri	3
Action officers, FEMA Region VIII	Denver, Colorado	4
Action officers, FEMA Region X	Seattle, Washington	4
Total		37

Source: Based on correspondence from the Army's Program Manager for Chemical Demilitarization to FEMA's Deputy Associate Director for Preparedness, Training, and Exercises (Aug. 20, 1996).

Comments From the Department of Defense



NUCLEAR AND CHEMICAL
AND BIOLOGICAL DEFENSE
PROGRAMS

ASSISTANT TO THE SECRETARY OF DEFENSE
3050 DEFENSE PENTAGON
WASHINGTON, DC 20301-3050

APR 11 1997

Mr. David R. Warren
Director
Defense Management Issues
National Security and International
Affairs Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Warren:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "CHEMICAL WEAPONS STOCKPILE: Changes Needed in the Management Structure of the Emergency Preparedness Program," dated March 13, 1997 (GAO Code 709230/OSD Case 1315). The Department concurs with the report and its recommendations.

Technical corrections to the report were separately provided. Detailed comments to the report are at the enclosure.

The Department appreciates the opportunity to comment on the draft report.

Sincerely,

A handwritten signature in black ink, appearing to read "Harold P. Smith, Jr.", written over a horizontal line.

Harold P. Smith, Jr.

Enclosure:
As stated

Appendix VI
Comments From the Department of Defense

GAO DRAFT REPORT - DATED MARCH 13, 1997
GAO CODE 709230/OSD CASE 1315

"CHEMICAL WEAPONS STOCKPILE: CHANGES NEEDED IN THE MANAGEMENT
STRUCTURE OF THE EMERGENCY PREPAREDNESS PROGRAM"

DOD COMMENTS IN RESPONSE TO THE RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommended that the Secretary of the Army and the Director of Federal Emergency Management Agency (FEMA) work together to complete the mandated assessment of the implementation and success of integrated process teams by the end of March 1997. (pp. 26-27/GAO Draft Report)

Now on p. 18.

DOD RESPONSE: Concur with the GAO recommendation as written. The Secretary of the Army notified the Congress that the assessment of the implementation and success of integrated process teams will be completed by May 30, 1997.

RECOMMENDATION 2: The GAO recommended that, as part of this assessment, the Secretary and the Director reach agreement on a long-term management structure for Chemical Stockpile Emergency Preparedness Program (CSEPP) that clearly defines the roles and responsibilities of Army and FEMA personnel. (p. 27/GAO Draft Report)

Now on p. 18.

DOD RESPONSE: Concur with the GAO recommendation as written.

RECOMMENDATION 3: The GAO pointed out that should the Secretary and the Director be unable to complete their assessment and issue a report that includes a plan for revising CSEPP's management structure, the GAO recommended that the Secretary of the Army implement the requirements of the 1997 National Defense Authorization Act to (1) assume full control and responsibility for the program and eliminate the role of FEMA Director as a joint manager, (2) clearly define the goals of the program, (3) establish fiscal constraints for the program, and (4) agree with each of the participating states regarding program requirements, implementation schedules, training and exercise requirements, and funding to include direct grants for program support. (p. 27/GAO Draft Report)

Now on p. 18.

DOD RESPONSE: Concur with the GAO recommendation as written.

Comments From the Federal Emergency Management Agency

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



Federal Emergency Management Agency

Washington, D.C. 20472

April 22, 1997

Mr. David R. Warren
Director, Defense Management Issues
US General Accounting Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Warren:

On March 13, 1997, Mr. Tom Howard provided the Federal Emergency Management Agency (FEMA) with a copy of the General Accounting Office (GAO) draft report *Chemical Weapons Stockpile: Changes Needed in the Management Structure of the Emergency Preparedness Program*, GAO/NSIAD-97-91. As before, we appreciate the role that GAO plays in identifying problems in program implementation and recommending possible solutions and corrective actions.

As you will recall, FEMA voiced serious concerns regarding the tone and conclusions contained in the last GAO report on the Chemical Stockpile Emergency Preparedness Program (CSEPP), *Chemical Weapons Stockpile: Emergency Preparedness in Alabama is Hindered by Management Weaknesses*, GAO/NSIAD-96-150 (July, 1996). I am pleased to note that the tone and content of this report have improved significantly over the July 1996 report.

On April 2, 1997, FEMA met with GAO staff concerning the most recent draft report. At that meeting, which you attended, FEMA program staff raised a number of concerns that can generally be grouped into three categories. These categories are:

- The report mistakenly attributes most, if not all, programmatic weaknesses to Federal level management.
- GAO improperly asserts throughout the draft report that, where deficiencies have been noted in the past, the Army has taken actions to address these issues, but the effectiveness of these corrective actions has been diminished either through FEMA action or inaction.
- The draft report incorrectly assumes that, because FEMA has proposed managing the off-post emergency preparedness program, FEMA does not support site-specific Integrated Process Teams (IPTs).

FEMA staff has prepared a detailed summary of what we believe are factual errors and conclusions in the draft report. I implore you to review the attached document with an open mind and fully consider the facts in FEMA's position on these important matters.

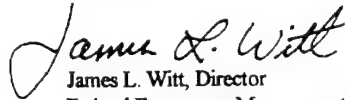
See comment 1.

Appendix VII
Comments From the Federal Emergency
Management Agency

Mr. David R. Warren
Page 2

Thank you for the opportunity to comment both in person and in writing on the draft GAO report. If you have any questions, please do not hesitate to contact Mr. Joseph D. Szwarcop, Chief of the Regulatory Services Coordination Unit at (202) 646-3200.

Sincerely,



James L. Witt, Director
Federal Emergency Management Agency

Enclosure

cc: Donna Shandle
Tom Howard

FEMA'S COMMENTS ON FINDINGS AND CONCLUSIONS
CONTAINED IN THE DRAFT GAO REPORT ENTITLED
CHEMICAL WEAPONS STOCKPILE:
CHANGES NEEDED IN THE MANAGEMENT STRUCTURE
OF THE EMERGENCY PREPAREDNESS PROGRAM

INTRODUCTION

This audit, the most recent in a series conducted by the General Accounting Office (GAO), continues to focus on perceived difficulties with Federal-level management of the Chemical Stockpile Emergency Preparedness Program (CSEPP). The report also asserts that Federal-level differences have resulted in delays in program implementation. In this, as in prior reports, specific attention has been devoted to difficulties allegedly caused by the role of the Federal Emergency Management Agency (FEMA) in off-site preparedness.

Neither FEMA nor the Army has denied that there are unique problems associated with the joint management of a politically sensitive and critical program such as CSEPP. However, given the substantial evidence to the contrary, provided with this report, it is inappropriate to assert that program implementation has been slowed as a result of Federal differences. State and local governments currently have the capability to respond to a chemical event, were it to occur, because of the excellent level of preparedness that has been achieved to date. Despite this capability, the GAO focuses more on the expanded packages of assistance that State and local governments want versus achievement of established emergency preparedness benchmarks and standards.

A disservice is being done to FEMA and the States by GAO's belief that the Army should have sole control of the program, compounded through GAO's insistence on assuming that Federal disagreements are delaying program implementation.

Throughout these audits, GAO has insisted that Federal level management, mismanagement, or micromanagement has been the primary, if not sole, reason for noted difficulties. While FEMA does not dispute that programmatic difficulties exist, we challenge the premise that this agency is to blame. Moreover, as we cautioned in our response to the previous report, GAO's continued assessment of blame at "Federal level management", with little or no recognition or acknowledgment of programmatic impediments at the State or local levels, will undoubtedly make their elimination or remediation more difficult.

While this response contains specific comments on findings we find faulty in the draft report, we would first like to cite three general themes with which FEMA takes issue as examples.

See comment 1.

See comment 1.

GENERAL THEMES

As stated above, there are general themes, contained throughout the draft report, with which FEMA must strongly differ, discuss here, and explain in more detail in the next section of this response.

First, GAO faults Federal level management for most, if not all, programmatic weaknesses. As we stated during our face-to-face meeting, this conclusion is faulty for it fails to recognize or acknowledge programmatic impediments at the State, local, and Army levels. In addition, this continued focus on program "mismanagement" obscures the significant gains made in State and local emergency response preparedness, causing them to be minimized or completely ignored. Throughout the report, where CSEPP States and localities have not received every item they desire, they are perceived as having little or no capability at all. This perception is invalid and inconsistent with Appendix IV of the draft report.

Second, GAO infers that, where deficiencies have been noted in the past, the Army has taken actions to address these issues, but the effectiveness of these corrective actions has been diminished by FEMA. On the contrary, many of the corrective actions noted by GAO were undertaken by FEMA or were joint FEMA/Army activities. FEMA has in no way hindered programmatic progress.

Finally, as was discussed at length during our recent meeting, the draft report inappropriately ties the ongoing negotiations regarding program management to IPT implementation. Due to this improper association, GAO concludes that, because FEMA has proposed managing the off-post emergency preparedness program without Army involvement in programmatic decision-making, we oppose the IPT process. On the contrary, IPTs are an integral component of FEMA's proposal for program management and, additionally, have been successfully implemented throughout the program.

Instead, the negotiations concern whether, and, if so, to what extent, FEMA and the Army will apportion the day-to-day management of off-post CSEPP emergency preparedness. Regardless of the outcome of the negotiations, FEMA's participation in and support of the IPTs has and will continue unabated. Secretary West and Director Witt are both committed to IPTs and a strong positive partnership, and are taking an increased role in streamlining the program.

Throughout FEMA's involvement in CSEPP, we have made every effort to comply with congressional mandates. In that regard, FEMA has supported IPT implementation and continues to work closely with the Army to ensure they succeed. FEMA's activities to date negate the implication in this report that FEMA ignores or resists the will of Congress.

AREAS REQUIRING CORRECTION

The conclusions, contained in this report, are based on a number of factual errors or differences of opinion that need to be acknowledged and rectified.

Issue 1:

Page 5 – CSEPP's slow progress has been due in large part to long-standing management weaknesses including disagreements between the Army and FEMA over their respective roles and responsibilities.

Response:

Significant program progress has been made. Moreover, delays are not the result of disagreements between the Army and FEMA over respective roles and responsibilities.

Abundantly more progress has been made in CSEPP emergency preparedness than the draft report recognizes. States are significantly better prepared to respond to a chemical incident today than even two years ago. Indeed, they could effectively respond to an incident today were one to occur. Alert and notification systems are installed to warn the public of any incident, in place communications systems would allow on- and off-post responders to effectively communicate, and the public is continually informed of protective action measures to be taken in the event of a chemical accident through Federally-funded public education programs.

FEMA recognizes, as it has in response to past audits, that not all anticipated emergency preparedness equipment has been purchased and/or installed and, as a result, full programmatic capability has not yet been attained, although many sites have purchased and installed necessary equipment and are nearing the maintenance phase. The attached capability graphs demonstrate quite clearly that operational readiness and capability have been attained for most benchmark items at each site. Thus, while capability will undeniably improve, deployable capability has been achieved.

Issue 2:

Page 6 – Disagreements between Army and FEMA officials on their respective roles and responsibilities continue to hamper program effectiveness.

Response:

Ongoing negotiations between FEMA and the Army with respect to program management have little relation to program implementation.

As we candidly admitted during the April 2 meeting, and documentation in the possession of GAO amply demonstrates, FEMA and the Army recognize that the current management system needs improvement. Despite this common understanding, GAO focuses its attention primarily at the Federal level, ignoring the critical role played by State and local governments. FEMA includes State and local participants within that management structure. For that reason, we are proposing a management system to eliminate many of the current management frustrations and work effectively for all participating levels.

GAO, without sufficient analysis, cites current management difficulties as the root cause for programmatic delays. While FEMA recognizes that there is a perception, perpetuated by GAO, that the issues are affecting program delivery, both FEMA and the Army have worked very closely to ensure the uninterrupted delivery of program services. Thus, FEMA is extremely proud of the significant programmatic gains made to State and local response capability in spite of the cumbersome management structure. Considering that FEMA, the Army and GAO all agree that current management system adjustments must be made, the gains made in emergency preparedness at the State and local levels, despite our management differences, are noteworthy indeed. This report should reflect those accomplishments.

Issue 3:

Page 6 -- States and local communities still lack critical emergency preparedness items.

Response:

While not all equipment has been procured or installed, CSEPP States and local communities have operational capability to respond to a chemical incident.

As FEMA has noted before, not all emergency preparedness equipment intended for the program has been procured by the CSEPP communities. However, the assertion that this failure is due primarily to Federal-level management fails to tell the whole story.

In order to address this issue, two questions must be asked: (1) what is the **genuine need**? and (2) assuming the need is real, whose responsibility is it to meet that need by procuring the necessary equipment?

In Public Law 99-145, The Defense Authorization Act of 1986, Congress called for the destruction of the existing unitary chemical weapons stockpile. The Act further directed the Secretary of Defense to provide "maximum protection for the environment, the general public, and the personnel who are involved in the destruction of lethal chemical agents and munitions". Congressional intent underscores the need for maximum protection, without definition or clarification, resulting in significant debate at all levels of government as to the best, most effective way to achieve the mandate, thereby increasing costs.

The maximum protection mandate and its interpretation, more than any other single issue, has led to delays in programmatic implementation and the procurement of CSEPP equipment. In this time of fiscal limitations, it also encourages States and counties to aggressively seek program dollars to indirectly support non-CSEPP requirements. Obviously, with honest differences regarding emergency preparedness needs and the integrity of program managers on the line, serious delays have occurred where a community insists on equipment or supplies that are either in excess of programmatic needs, or do not directly support the program.

Now on p. 4.

See comment 4.

In other instances, items are approved and funded, yet extenuating factors, not Federal mismanagement, have resulted in procurement delays. For example, Personal Protective Equipment (PPE), funded in 1995, has yet to be procured by many States. Early delays were caused by the ensemble selection, testing and approval processes, including approvals by the Occupational Safety and Health Administration and the National Institutes for Occupational Safety and Health (all of which were Federal activities). Many States since that time have simply failed to quantify their need, select from among the approved ensembles, and make their required purchases.

Issue 4:

Page 7 (and Table 2 on page 8)— Approximately \$43.2 million has been allocated to FEMA headquarters, regional offices, and contracts.

Response:

Since 1988 when the MOU with the Army was signed, FEMA has spent only \$14.9 million on administrative support. The rest of its budget has been used to bolster the entire program.

As the report notes, some of the money provided to FEMA is used to fund contracts to support the entire program. Unfortunately, the impression remains that FEMA uses a significant portion of the total budget (i.e., 10%) supporting itself. In fact, less than 4% of the CSEPP budget is used by FEMA for direct staff support, administration, etc. The rest is used to bolster the entire program through contract support.

While the issue may seem trivial, it is important to specifically differentiate FEMA's usage of CSEPP funds for staff support versus program support. States and local governments have, at times, expressed concerns that FEMA's use of CSEPP funds siphons off dollars that could better be spent improving State or local emergency preparedness. Clarifying that 65% of FEMA's internal CSEPP budget is actually used to promote program-wide activities will hopefully allay the expressed concerns.

Issue 5:

Page 10 (Table 3) — Availability of critical CSEPP-funded items.

Response:

While not all equipment has been procured or installed, most CSEPP States and local communities have operational capability to respond to a chemical incident.

As stated previously, FEMA acknowledges that continued improvement remains the goal, for no CSEPP community is fully equipped with all the tools it will ultimately receive to respond to a chemical emergency. However, Table 3 is a classic example of looking at the glass as half empty.

The question is not "Does the State or locality have everything it desires?" or, even, "Does it have everything it will ultimately get?" Instead, the question is "Can the community respond adequately to a chemical incident?"

The CSEPP communities have operational capability in nearly every critical area. No, they do not have it all. But, as the States and localities know, if an incident were to happen tomorrow they would respond well with what they have. Thus, while FEMA understands the goal of the audit, GAO's focus on what else could be purchased does a disservice to the community by reinforcing a litany of what they're missing. Instead, the report should acknowledge the equipment and training that have been provided to date and ascertain the States' and locals' abilities to effectively utilize those resources in the event of a CSEPP emergency.

Issue 6:

Page 12 – Negotiation of Baseline Operating Costs (BOCs).

Response:

FEMA and the States, not the Army, negotiated BOCs as part of our Cooperative Agreement process.

BOCs are annual, recurring programmatic costs that do not change from year to year. There was a concerted effort during the FY97 budget cycle to identify these requirements, negotiate their rate, and agree to fund these amounts through the remainder of the program at the negotiated amount (with slight annual increases for inflation). Unless the requirement changes, the agreed upon BOCs will be funded, without the need for further negotiation or justification, through the end of the program. Thus, as pointed out in the draft report, the negotiations of BOCs are a programmatic improvement that will significantly streamline the annual budget negotiation cycle.

Unfortunately, the draft report incorrectly ascribes these activities to the wrong agency.

Issue 7:

Page 16 – Programmatic financial management weaknesses include: records on expenditure data are limited; allocation data differ among federal, state, and local agencies; and states and counties maintain large unexpended balances of funds.

Response:

FEMA's financial management system is in full compliance with OMB requirements.

Limited Expenditure Data:

Financial information on CSEPP funding expenditures complies with Office of Management and Budget (OMB) policy. OMB requires grantees to submit their expenditures by net outlays. At

Now on p. 8.

See comment 7.

Now on p. 11.

See comment 8.

Appendix VII
Comments From the Federal Emergency
Management Agency

FEMA, grantees submit the Financial Status Report (FEMA Form 20-10, OMB# 3067-0206) on a quarterly basis. FEMA Form 20-10 reports the following:

- Net outlays;
- Recipient share outlays;
- Federal share of outlays; and
- Total unliquidated obligations.

A waiver of OMB policy is necessary to obtain information in excess of that required on FEMA Form 20-10. The Department of the Army does not have a statutory requirement for CSEPP expenditures to be reported by object class or CSEPP class. Therefore, no waiver of OMB policy is warranted. Thus, the type of detailed expenditure information that GAO desires exceeds OMB policy and, therefore, is unavailable and extremely expensive to obtain.

Allocation Data:

There are numerous steps involved in processing a financial award. From the time the funds are released by the Army, to acceptance of those funds by the State, various documents have to be prepared which follow a prescribed sequence of events. During the award/obligating process, the status of financial documentation may differ between the participating governmental levels as funds, and the corresponding documents, travel through the system.

Because the draft report does not specify the exact basis for its concern regarding inconsistencies between allocation data, FEMA will respond by citing an example from the State of Arkansas. During a recent visit by GAO to the State, Arkansas reported an award amount that differed from that provided by FEMA and the Army. At the April 2 meeting, FEMA explained that relying on various financial tracking documents as a snapshot in time formed the basis for the difference. Grants accounting is a dynamic process and accounting discrepancies among funding institutions when documentation is in transit is to be expected. Only complete records are comparable.

Specifically, while the financial documentation for all awards to date had been completed at the Federal level (and, therefore, included in our financial assessment), the documents from which we were compiling the State's total allocation had not been received or processed by the State. Upon receipt of these documents, Arkansas' records correctly matched FEMA and Army records. Thus, when the auditor initially compared the State and Federal data it appeared that the totals were inconsistent, when, in fact, the State's records were simply incomplete.

Documentation discrepancies similar to Arkansas', are likely to occur in other CSEPP States as well. Because CSEPP States receive awarded funds throughout the fiscal year, it is unlikely that all financial documents will be in agreement when reviewed on any given day. However, before GAO broadly identifies this phenomenon as a programmatic deficiency, FEMA asks that GAO consider that it could be attributed to delays in the receipt and processing of the corresponding documentation.

Unexpended Balances:

Following the 1995 program audit, FEMA provided information to GAO explaining the cause for large outstanding balances at the State level and the actions taken by FEMA to reduce those balances. FEMA's information included documentation that:

- Some prior balances are dependent on State procurement and implementation actions.
- FEMA began to reconcile prior year Cooperative Agreements (CAs) in 1994. This action included delaying the award of FY95 funds pending completion of an investigation into unexpended funds.
- In FY95 and FY96, funding adjustments were made based on the unobligated funds identified by the States.
- FEMA continues to emphasize closing out projects.
- In 1996, FEMA implemented the Performance Partnership Agreement (PPA) to assist in achieving measurable results in support of the National Performance Review II.
- Internally, the CSEPP Program Office is working with FEMA's Inspector General to improve management and funding accountability of specific State projects.

Issue 8:

Page 17 – In February 1993, the FEMA IG reported that CSEPP's financial reporting system did not provide timely, accurate, or consistent data and did not satisfy the management needs of either FEMA or the Army.

Response:

The cited FEMA IG report does not support GAO's position that FEMA's financial tracking mechanism is ineffective because the IG report, initiated at our program office's request, investigated FEMA's performance reporting, rather than financial management, system.

The FEMA IG report criticized State reporting processes, not FEMA's financial management system. FEMA reporting requirements comply with OMB guidance for CSEPP.

The Office of Management and Budget strictly limits financial reporting requirements. Specifically, 44 CFR Section 13.41 states "... grantees will use only the forms specified...in this section, and such other forms as may from time to time be authorized by OMB" for submitting financial data to Federal agencies. The only exception to this prohibition occurs if the reports are statutorily mandated (although the reporting party can voluntarily agree to provide data beyond what is required on the approved reporting form).

Now on p. 12.

See comment 9.

No statutory language compelling information beyond that required by FEMA Form 20-10 exists. Therefore, unless the CSEPP States voluntarily agree to provide more detailed data, only information consistent with OMB guidance can be requested. As discussed under Issue 7, FEMA Form 20-10 is consistent with OMB financial reporting requirements. Thus, information called for by GAO can only be obtained through the voluntary action of the reporting party.

Issue 9:

Page 19 (Table 4) – Selected States' and Counties' Comments About The Army And FEMA Management Of CSEPP.

Response:

This table contains selective, subjective statements and should be deleted.

As pointed out in person, this table unfairly paints the program with broad, negative strokes. From various responses (both positive and negative), only responses supporting GAO's assertion that programmatic problems can be placed on Federal-level management were included. The table therefore, lends little or no value to the report. FEMA suggests its deletion from the final report.

Issue 10:

Page 20 – FEMA and the Army's inability to agree on a management structure for CSEPP prevented the Secretary of the Army from timely compliance with the statutory requirement to report on the implementation and success of CSEPP Integrated Process Teams.

Response:

FEMA and the Army's Program Manager for Chemical Demilitarization agreed to a status report declaring the successful implementation of IPTs prior to the January deadline, however, the letter submitted by the Assistant Secretary of the Army conveys otherwise. The submitted letter was not coordinated with FEMA, and FEMA disagrees with its conclusions.

Throughout the document, GAO views delays in resolving differences regarding overall management of the program as a refusal on FEMA's part to agree on the method for implementing IPTs. GAO implies that FEMA's interest in managing off-post emergency preparedness is somehow inconsistent with the IPT process.

This erroneous conclusion is embodied in the GAO assertion that FEMA and the Army's inability to agree on a management structure for CSEPP prevented the Secretary of the Army from timely compliance with the statutory requirement to report on the implementation and success of CSEPP Integrated Process Teams.

Now on p. 13.

See comment 10.

Now on p. 14.

See comment 11.

As discussed on April 2, FEMA and the Army had agreed to a congressional response regarding the status of IPT implementation prior to the report's due date (not later than 120 days after enactment). In that response (a copy of which is attached), the Army determines that "site specific Integrated Product and Process Teams as a management tool for CSEPP have been and teams are being successfully established at each site.... The Federal Emergency Management Agency (FEMA) concurs in this determination, and thus FEMA will continue to support the Army in the execution of the program."

Without informing FEMA CSEPP management, the Army asked Congress for a 60-day extension in filing their IPT assessment report, effectively delaying their response until after the March congressional hearings. FEMA was left to conclude that the Army chose to delay its response to Congress in order to retain its options with respect to FEMA's continued participation in CSEPP.

Moreover, on April 4, 1997, FEMA received a copy of a March 31, 1997 letter to the Chairman of the House National Security Committee, further delaying the Army's submission of the IPT status report to Congress. In that letter (attached), the Assistant Secretary of the Army attributes the delay to the ongoing negotiations between FEMA and the Army. As stated above, FEMA challenges the assertion that the management negotiations are an adequate reason for the Army's failure to, once again, provide this congressionally mandated report in a timely manner.

The issue of each agency's future roles and missions in CSEPP can easily be separated from any discussion of how potential management changes will ultimately affect Army and FEMA roles in either managing or participating in IPTs. The outcome of these discussions could certainly impact each agency's participation on established IPTs. However, FEMA does not foresee or propose any outcome that would eliminate the IPT as the accepted management tool for addressing site-specific issues within the CSEPP community. It was, and continues to be, exclusively the Army's decision to delay its congressional report submission. Ongoing negotiations should not affect the Army's ability to provide a timely response.

Issue 11:

Page 20 – FEMA doesn't support IPTs or the Core team.

Response:

FEMA not only supports IPTs; they are an integral component of FEMA's proposal for program management.

With respect to IPTs, FEMA supports the IPT process and is an active participant. However, when first proposed, FEMA was reluctant to agree to the adoption of the IPT as the management structure for CSEPP until the details concerning participation and decision-making were agreed upon by governmental entities at all levels. It would not be prudent to agree to a management framework only to later discover that each participant was agreeing to a different interpretation of an IPT, and, in the worst case scenario, each entity's version was mutually exclusive of the others' (see attached letter dated February 23, 1996).

Now on p. 14.

See comment 12.

While FEMA continues to support the IPT process, it is important to note a recent incident that may, in fact, exemplify the legitimacy of FEMA's concerns and demonstrate that the IPT participants do, in fact, view their IPT roles and authorities quite differently.

Briefly, after receiving Army IPT training, the Alabama IPT was under the impression that a majority vote of the IPT took precedence over the Federal position (FEMA and the Army) on the use of program funds. While every attempt is made to accommodate IPT preference, ultimate decision-making on program policy and the use of CSEPP funds must remain with the Federal government.

Background

Over the last year, there has been ongoing dialogue between FEMA Region IV and the State of Alabama regarding the CSEPP Public Information Officer (PIO) position. FEMA Region IV, FEMA Headquarters and the Army have fully supported the position that the CSEPP PIO belongs at the State level to coordinate the public affairs actions of both the Immediate Response Zone (IRZ) and Protective Action Zone (PAZ) counties.

The State's Emergency Management Director asked if he could divert the State CSEPP PIO funds and divide them equally among the PAZ counties (IRZ counties already have full-time PIOs). He stated his case not only in writing to the Region in August 1996, but in a visit to the FEMA Regional Office last fall prior to the CSEPP State Directors' Meeting in Washington, DC.

Despite the EMA Director's argument in justification of the request, FEMA and the Army remained convinced that the CSEPP PIO position should remain at the State level to fully coordinate the public affairs efforts of all the affected counties surrounding the Anniston Army Depot. FEMA Region IV, in consultation with FEMA Headquarters, advised the State of Alabama in September 1996 to reconsider their proposal and then met with the State Director to discuss the reasoning behind the decision.

Integrated Process Team (IPT) Training

The DOD's IPT training course is an excellent team-building process. However, the course and instructor portray a different concept regarding IPT authority than is recognized by the GAO. The concept conveyed during the training indicates that, once the IPT is formed with operating procedures and by-laws, it is fully "empowered" to make binding decisions based on the needs of that particular IPT. The Alabama IPT participants, except for the Federal participants (FEMA Headquarters, Region IV, and the Army's CSEPP representative) believe that, once consensus is reached, or a majority vote taken, the decision will automatically be implemented.

On February 20, 1997, the first regularly scheduled IPT meeting was conducted in Jacksonville, Alabama at the Calhoun County EMA Office. The basic rules of conduct were discussed and agreed upon during the January initial IPT set-up meeting that followed the IPT training. During the January meeting, the State EMA Director asked to put the State CSEPP PIO issue on the agenda.

During the February IPT meeting, he presented the facts of his case to the entire IPT group. His remarks indicated that, due to the Governor's promise to reduce the overall size of State Government, the Director did not want to hire a State CSEPP PIO. But, more importantly, he emphasized the need for a PIO at the PAZ county level. The IRZ, PAZ, and host county representatives all supported the proposal.

After a lengthy discussion, a vote was taken. The 12-3 vote was split down jurisdictional lines. Twelve supporting votes were from State and county representatives (IRZ/PAZ/Host) and three negative votes from the Federal level (FEMA Headquarters, Regional, and Army) staff. While the issue was ultimately resolved at the IPT level by a compromise proposal, the participating members made it clear that, had there been no agreement between the parties, the Alabama IPT is controlled by the maxim "majority rules." Thus the "winning" position would have been implemented notwithstanding the objections of all Federal level participants. Moreover, even though the "compromise" has been neither forwarded to, nor approved by, FEMA or Army CSEPP officials, State and local IPT participants have every intention of implementing the "agreement." In FEMA's view, this position is an inappropriate usurping of an inherently governmental function and a violation of the Federal Advisory Committee Act (FACA) which generally prohibits policymaking by non-Federal entities.

There are fundamental differences between the Army's concept of the IPT structure as described to GAO (and chronicled on page 24 of the draft report), the way the Army implies IPTs work in their training sessions, and how certain non-Federal members of the IPT are trying to implement them. As the Alabama episode indicates, the States and local participants have a clear picture in their minds that, through the IPT process, "anything is possible." Who's to blame? We all are, but primarily the Army for teaching the theory of total empowerment inconsistent with its own view, stated to GAO and Congress, of IPTs as "recommending bodies."

Because most on- and off-post integration issues have been resolved, the Core Team concept is no longer needed.

As for the "Core Team" concept, FEMA initially supported the positioning of FEMA staff at the joint CSEPP office in Edgewood, Maryland, but now believes the need for day-to-day interaction is outweighed by the need for FEMA staff to work in unity to support our State and local grantees. In fact, as GAO is aware, that office would cease to exist if FEMA is given the opportunity to independently manage the off-post program.

Army Core Team members focus upon on-post issues, whereas FEMA Core Team members focus upon off-post issues. On- and off-post integration planning issues, the original reason for co-positioning, are rare at this stage of the program. Therefore, there is no longer a need for daily face-to-face interaction between the FEMA and Army Core Team members. Any necessary interaction could easily be accomplished over the phone with face-to-face meetings scheduled as necessary.

Moreover, as currently configured, the FEMA members of the joint FEMA/Army CSEPP office simply provide off-post emergency management expertise to support Army management. There is

See comment 13.

no comparable information flow from the Army to FEMA regarding on-post activities. Thus, the Core Team concept is unnecessary and impedes FEMA's ability to effectively utilize its staff to support the off-post CSEPP community.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion: The future effectiveness of CSEPP is at risk given the continuing disagreements between Army and FEMA officials.

Response:

While FEMA concludes our negotiations with the Army and resolves our differences as quickly as possible, we challenge the assessment that our ongoing differences place the program "at risk." Instead, we are proud of the strides made in CSEPP emergency preparedness and expect dramatic programmatic improvements to continue.

Recommendation: The Secretary of the Army and the Director of FEMA [should] work together to complete the mandated assessment of the implementation and success of integrated process teams.

Response:

FEMA should not be faulted for the Army's failure to submit an existing status report to Congress. FEMA input to the report was timely submitted to the Army for inclusion in its report to Congress.

Recommendation: The Secretary and the Director [should] reach agreement on a long-term management structure for CSEPP that clearly defines the roles and responsibilities of Army and FEMA personnel.

Response:

FEMA concurs with this recommendation. Indeed, we have been working closely with the Army to clarify roles, responsibilities and working relationships. However, we strongly disagree with the conclusions that led to this recommendation.

See comment 14.

The following are GAO's comments on the letter from the Director, FEMA, dated April 22, 1997.

GAO Comments

1. The issues raised here are also covered in FEMA's detailed comments and we respond to them specifically in the agency comments and evaluation section of the report and the notes that follow.

2. Our report states that state and local emergency response capability has increased since the implementation of CSEPP. However, as shown in table 3, in some cases progress has been made but, in others, much remains to be done to provide all 10 CSEPP states and their counties with the items CSEPP officials have defined as critical to emergency preparedness.¹

We revised the report to reflect FEMA's position that CSEPP states and local communities could respond to a chemical stockpile emergency even though they do not have all critical CSEPP items. We also reviewed FEMA capability graphs and, where appropriate incorporated them in the report. However, we did not assess whether states and local communities have operational capability to respond to a chemical incident. Our conclusion that states and local communities lack critical items is based on CSEPP benchmarks and guidance and data from the Army, FEMA, states, and local communities, and we continue to believe this is the appropriate criteria for measuring progress.

We disagree with FEMA's position that program delays were not the result of disagreements between the Army and FEMA over their respective roles and responsibilities. Despite attempts to streamline decisionmaking for programmatic and budget issues, five federal offices are still involved in decisionmaking. State and local officials have expressed confusion over which office is in charge and reported that the fragmented management structure delayed decisionmaking. In October 1995, CSEPP state directors identified 27 individual issues and concerns. One concern was the lack of an agreement defining the roles and responsibilities of the Army and FEMA headquarters and the CSEPP Joint Army/FEMA Team. This basic problem continues today.

¹Our conclusion that CSEPP states and local communities lacked critical items was based on CSEPP standards. Specifically, we used the 1993 CSEPP National Benchmarks and the May 17, 1996, CSEPP Planning Guidance as our criterion to determine whether local communities should have the emergency preparedness or response items. To assess the availability of those items in the CSEPP communities, we used data from the Army, FEMA, states, and local communities.

Moreover, both FEMA and Army officials have reported that their disagreements over management roles and responsibilities have resulted in program delays. For example in September 1996, the FEMA Deputy Associate Director for Preparedness, Training, and Exercises wrote that CSEPP was not functioning as effectively as it might and that respective roles, responsibilities, and working relationships needed to be clarified. Similarly, in October 1996, the Army Program Manager for Chemical Demilitarization wrote that the Army and FEMA leadership was divided and less effective than desired. He concluded that the management was not focused on CSEPP and effectiveness and efficiency could be improved.

3. Since 1992, we have reported on CSEPP's management weaknesses, which include fragmented and unclear management roles and responsibilities, imprecise and incomplete planning guidance, a cumbersome budget process, and ineffective financial controls. These weaknesses have resulted in time-consuming negotiations among federal, state, and county officials and hampered the progress of numerous CSEPP projects. In addition, we have reported that inadequate actions by states and counties have also slowed the progress of several CSEPP projects. As stated in comment 2 and our evaluation of FEMA's comments on pages 18 and 19, our concern is not whether the Army's or FEMA's approach to resolving the management issue is the more appropriate; we are concerned that CSEPP's implementation is being delayed because this issue has not been resolved. As a consequence, the program's goal of providing communities with items critical to responding to a chemical stockpile emergency remains to be achieved after 9 years and funding of \$431.4 million.

4. See comment 2.

5. We added information to table 2 of the report to note that \$14.7 million (3.4 percent) was allocated to FEMA headquarters and regions and \$28.6 million (6.6 percent) was allocated for FEMA's contracts.

6. See comments 2 and 3.

7. We revised the report to show that the CSEPP Joint Army/FEMA Team was in the process of negotiating standard baseline operating costs with each of the 10 states participating in the program.

8. We did not assess whether FEMA's financial management system complies with the Office of Management and Budget requirements.

Nonetheless, we are encouraged to see that FEMA's CSEPP Program Office is working with the FEMA Inspector General to improve management and funding accountability of specific state projects.

Notwithstanding these actions, we continue to be concerned about the adequacy of financial management data available to CSEPP managers. Specifically, records on expenditure data are limited; allocation data differ among FEMA, states, and counties; and states and counties continue to maintain large unexpended fund balances. For example, data at FEMA consist primarily of reports that identify states' withdrawals from the federal treasury, but not how the funds were spent. Also, as of July 1996, participating states held \$67.2 million in unexpended CSEPP funds, or 35.3 percent of the funds allocated to them. We continue to believe that effective stewardship over the program requires managers to have information on actual expenditures of funds.

9. We revised the report to show that the FEMA Inspector General reported that CSEPP's reporting system did not provide FEMA managers timely, accurate, or consistent data or the data they need to monitor CSEPP's progress. In addition, the Inspector General report states that "[t]he two financial reports in the CCA [Comprehensive Cooperative Agreement] reporting system do not meet the financial reporting need of FEMA CSEPP managers or the Army. They monitor allocation of funds to States and identify surplus funds. They do not track the use of funds."

10. Table 4 is included to support our position that state and county CSEPP officials have expressed a sense of dissatisfaction with the Army's and FEMA's management of the program.

We do not agree that table 4 should be deleted from the report as FEMA suggested. States and local officials have primary responsibility for developing and implementing programs to respond to a chemical stockpile emergency. We believe it is important to include their views as part of our analysis.

11. We revised the report to reflect FEMA's position that it disagrees with the Assistant Secretary's position on integrated process teams.

12. Although FEMA has participated in CSEPP's integrated process teams, its concept for site-specific integrated process teams differs from the Army's concept, and the agency has not signed the Army's proposed memorandum implementing the teams. Specifically, FEMA does not want

the Army involved in off-post CSEPP activities and wants to eliminate the Army from site-specific integrated process teams. The Assistant Secretary of the Army for Research, Development, and Acquisition cited the lack of agreement as a basis for requesting an extension to the legislative requirement to report on the implementation and success of the teams. FEMA's desire to eliminate the Army from site-specific integrated process teams is inconsistent with the tenets of the process and does not recognize the Army's position that they should work as partners. Moreover, the example cited by FEMA illustrates the fundamental problems that exists over roles and responsibilities and why that issue has hampered CSEPP's progress.

As envisioned by the Army, the integrated process teams will (1) identify issues, develop solutions, and integrate program plans and budget submissions among CSEPP jurisdictions and (2) include officials from the CSEPP Joint Army/FEMA Team, appropriate FEMA region, participating states and counties, and local Army chemical storage command. The teams are designed to foster open communications with the CSEPP stakeholders and empower the team members with decisionmaking authority. Integrated process team literature suggests that full and open discussion does not mean that each view must be acted on by the team.

13. We believe that the establishment of the CSEPP Joint Army/FEMA Team was an important step to improving the management of the program. According to the CSEPP Joint Army/FEMA Team's charter, dated January 6, 1995, the joint team was intended to (1) establish a focal point for program accountability, (2) coordinate and integrate on- and off-post activities, and (3) create an environment for teamwork. We believe that, if effectively implemented, the CSEPP Joint Army/FEMA Team could eliminate the problems associated with management roles and responsibilities.

However, the team has not functioned as intended. In August 1996, the Program Manager for Chemical Demilitarization reported that, in some situations, FEMA's implementation of the charter had inhibited the progress of CSEPP. According to the Program Manager, pressure from FEMA headquarters officials to have the agency's joint team members spend more of their duty time at FEMA headquarters and less with the joint team had impeded their integration with Army members. The Program Manager concluded that communications with the CSEPP participants and coordination with the Army had been adversely affected.

14. See comments 2 and 3.

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Related GAO Products

Chemical Weapons and Materiel: Key Factors Affecting Disposal Costs and Schedule (GAO/T-NSIAD-97-118, Mar. 11, 1997).

Chemical Weapons and Materiel: Key Factors Affecting Disposal Costs and Schedule (GAO/NSIAD-97-18, Feb. 10, 1997).

Chemical Weapons Stockpile: Emergency Preparedness in Alabama Is Hampered by Management Weaknesses (GAO/NSIAD-96-150, July 23, 1996).

Chemical Weapons Disposal: Issues Related to DOD's Management (GAO/T-NSIAD-95-185, July 13, 1995).

Chemical Weapons: Army's Emergency Preparedness Program Has Financial Management Weaknesses (GAO/NSIAD-95-94, Mar. 15, 1995).

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Chemical Weapon Stockpile: Army's Emergency Preparedness Program Has Been Slow to Achieve Results (GAO/NSIAD-94-91, Feb. 22, 1994).

Chemical Weapons Storage: Communities Are Not Prepared to Respond to Emergencies (GAO/T-NSIAD-93-18, July 16, 1993).

Chemical Weapons Destruction: Issues Affecting Program Cost, Schedule, and Performance (GAO/NSIAD-93-50, Jan. 21, 1993).

Background

In November 1985, the Congress directed the Department of Defense (DOD) (through the Army) to destroy the U.S. stockpile of lethal chemical agents and munitions and directed that the disposal program provide for the maximum protection of the environment, the public, and the personnel involved in disposing of the munitions.² In 1988, the Army established CSEPP to help communities near the chemical stockpile storage sites enhance existing emergency management and response capabilities in the unlikely event of a chemical stockpile accident. Another focus of CSEPP is to enhance the emergency preparedness of the eight Army installations where the chemical stockpile munitions are stored. (See app. II for the locations of the chemical stockpile storage sites.)

The Army is responsible for determining the overall direction for CSEPP. Under a memorandum of understanding with the Army, the Federal Emergency Management Agency (FEMA) provides technical assistance and distributes Army funds to states through cooperative agreements.³ Program funds flow from the Army to FEMA headquarters, through FEMA regional offices, and to the states.⁴ Annual allocations to the states are based on the states' current concept of operations and progress in implementing approved and funded CSEPP initiatives and on the results of annual negotiations. (See app. III for data on funds allocated to the various CSEPP entities in fiscal years 1988-96.) On the basis of approved activities and projects, states provide funds to counties as their subgrantees. States and counties, in accordance with state and local laws, have primary responsibility for developing and implementing programs to enable communities to respond to a chemical stockpile emergency.

In 1993 and 1994, the Army and FEMA issued CSEPP benchmarks and planning guidance that identify funding priorities and items critical to respond to a chemical stockpile emergency.⁵ In February 1994, in response to congressional guidance, the Army and FEMA signed a restructuring agreement to establish the CSEPP Joint Army/FEMA Team to coordinate and implement public affairs, exercises, training, communications, and other activities for the program. The Joint Army/FEMA Team is managed by

²Public Law 99-145, section 1412.

³The funds provided to the states are covered by FEMA's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (44 CFR, part 13) and the Office of Management and Budget Circular A-128.

⁴Section 1521 (c) (3) 50 U.S.C. provides that the Secretary of Defense may make grants to state and local governments, either directly or through FEMA.

⁵Planning Guidance for the Chemical Stockpile Emergency Preparedness Program, the Army and FEMA (May 17, 1996).

Army's Project Manager for Chemical Stockpile Emergency Preparedness and consists of 14 Army officials and 6 FEMA officials. The team's objectives are to create an environment for teamwork and build a working partnership.

In the 1997 National Defense Authorization Act (P.L. 104-201, section 1076), the Congress directed the Secretary of the Army to submit a report on his assessment of the implementation and success of the site-specific integrated process teams. As envisioned by the Army, the integrated process teams will (1) identify issues, develop solutions, and integrate program plans and budget submissions among CSEPP jurisdictions and (2) include officials from the CSEPP Joint Army/FEMA Team, appropriate FEMA region, participating states and counties, and local Army chemical storage command. According to the Assistant Secretary of the Army for Research, Development, and Acquisition, the joint Army and FEMA report was scheduled to be issued by the end of May 1997.⁶ On May 30, 1997, the Assistant Secretary of the Army (Installations, Logistics, and Environment) informed the Congress that the Secretary's report would be delayed until July 15, 1997.

Results in Brief

Although it has taken longer than it should, CSEPP officials expect that most critical items will be in place by the end of 1998. After 9 years and funding of \$431.4 million, states and local communities surrounding the chemical stockpile storage sites still lack some items critical to responding to a chemical stockpile emergency (see table 1).

⁶Assistant Secretary of the Army for Research, Development, and Acquisition letter to the Chairman, House Committee on National Security (Mar. 31, 1997).

Table 1: Availability of Five Critical CSEPP-Funded Items in the States We Visited

CSEPP entity	Integrated communications system	Personal protective equipment	Personnel decontamination equipment	Siren system	Tone alert radios
Alabama and counties	Partial	Partial	Partial	Yes	No
Arkansas and counties	Yes	No	Yes	Yes	No
Colorado and county	Yes	No	No	No	No
Maryland and counties	Yes	No	Partial	Partial	No
Oregon and counties	Partial	Partial	No	No	No
Utah and counties	Partial	Yes	Yes	Yes	Partial
Washington and county	Yes	No	No	Yes	No

Note: As of March 1, 1997.

Source: Based on data provided by the Army's Project Manager for CSEPP and state and county emergency management agencies.

As we have reported since 1992, CSEPP's slow progress has been due largely to long-standing management weaknesses, including disagreement between the Army and FEMA over their respective roles and responsibilities.⁷ The FEMA Inspector General, Members of Congress, and state and local officials have also expressed concern about these management weaknesses. Moreover, the Congress has expressed concern that states and communities lack critical CSEPP items and that program costs continue to increase.⁸

Although the Army and FEMA have taken actions in response to this criticism, opportunities still exist to improve program management. Specifically, disagreements between Army and FEMA officials on their respective roles and responsibilities continue to hamper program effectiveness. For example, the Army is still working to respond to the requirement of the 1997 National Defense Authorization Act to report on the integrated process teams because FEMA questions the efficiency of the Army's involvement. As a result of this and other differences, the Army and FEMA have not reached agreement on a long-term management structure for the program. In his March 1997 letter to the Chairman of the House Committee on National Security, the Assistant Secretary of the Army (Research, Development, and Acquisition) said that, if the Army and FEMA were unsuccessful in reaching an agreement on the long-term

⁷See list of related GAO products at the end of this report.

⁸Program costs have remained level since the Joint Army/FEMA Team developed the CSEPP life-cycle cost estimate in 1995.

management structure for CSEPP and integrated process teams, the Army would assume full control and responsibility for the program. Until the Army and FEMA leadership take steps to delineate their agencies' roles and responsibilities and reach agreement on a long-term management structure for CSEPP, the future effectiveness of CSEPP is at risk.

Progress in Enhancing State and Local Emergency Preparedness Has Been Slow

Nine years after CSEPP's inception and funding of \$431.4 million, states and local communities still lack items critical to responding to a chemical stockpile emergency, including integrated communication systems, personal protective equipment, personal decontamination equipment, sheltering-in-place enhancements, and alert and notification systems. Program officials expect that nearly all these items will be funded and/or operational by the end of 1998, but that may be optimistic unless management weaknesses and differences at the Army and FEMA level are corrected and states and counties take prompt actions to implement the projects.

Almost \$431.4 Million Has Been Allocated to CSEPP

Through fiscal year 1996, almost \$431.4 million has been allocated to the program (see table 2). As of December 1996, approximately \$152.5 million had been allocated to Army organizations, installations, and contracts. According to Army officials, some of these expenditures were for computer equipment and software provided to state and local emergency management agencies and emergency preparedness projects at Army installations. Approximately \$43.2 million was allocated to FEMA headquarters, regional offices, and contracts. According to FEMA, the agency's contracts support the entire CSEPP community and include the development of program guidance, training courses, and computer software. Participating states and counties have received \$220.8 million. The Army has allocated \$1.1 million to other organizations and has not allocated \$13.8 million.

Table 2: Allocation of CSEPP Funds in Fiscal Years 1988-96

Dollars in thousands

Entity/activity	Amount	Percent
Army organizations, installations, and contracts	\$152,509.2	35.4
FEMA headquarters, regional offices, and contracts ^a	43,234.4	10.0
States and counties	220,779.0	51.2
Other organizations	1,093.1	0.3
Not allocated	13,766.4	3.2
Total	\$431,382.1	100^b

Note: As of December 1996.

^aIncludes \$14.7 million (3.4 percent) allocated to FEMA headquarters and regions and \$28.6 million (6.6 percent) allocated for contracts.

^bPercents do not total 100 due to rounding.

Source: Based on data provided by the Army's Project Manager for CSEPP.

The Army's current life-cycle cost estimate for CSEPP is \$1.03 billion, an 800-percent increase of the initial estimate of \$114 million in 1988. According to Army officials, the initial CSEPP estimate was made before the Army had fully defined the program's scope, requirements, and time frames, and the current estimate has not increased since the CSEPP Joint Army/FEMA Team developed the \$1.03 billion life-cycle cost estimate in 1995. Management weaknesses, including the lack of adequate financial data and internal controls, have contributed to the growth in costs.

States and Local Communities Lack Critical CSEPP Items

State and local emergency management officials repeatedly expressed concern to us about their communities' lack of readiness to respond to a chemical stockpile emergency. In 1993 and 1994, the Army and FEMA issued benchmarks and program guidance that identified items critical to respond to a chemical stockpile emergency, such as automated information systems, emergency operations centers, integrated communication systems, personal protective equipment, personnel decontamination equipment, sheltering-in-place enhancements, and alert and notification systems. Table 3 shows the status of CSEPP items in each of the 10 states participating in the program.

Table 3: Availability of Critical CSEPP-Funded Items (as of Mar. 1, 1997)

Item	Alabama and counties	Arkansas and counties	Colorado and county	Illinois and counties	Indiana and counties	Kentucky and counties	Maryland and counties	Oregon and counties	Utah and counties	Washington and county
Automated information system ^a	Partial	Partial	Partial	Partial	Partial	Partial	Partial	Partial	Partial	Partial
Emergency operations center	Yes	Yes	Yes	Yes	Partial	Yes	Partial	Partial	Yes	Partial
Integrated communications system	Partial ^b	Yes	Yes	Partial	Yes	Partial	Yes	Partial	Partial	Yes
Personal protective equipment ^c	Partial	No	No	No	Partial	No	No	Partial	Yes	No
Personnel decontamination equipment	Partial	Yes	No	No	No	No	Partial	No	Yes	No
Sheltering-in-place enhancements	No	Yes	No	NR	No	NR	Yes	No ^d	NR	NR
Sirens system	Yes	Yes	No	NR	Yes	Yes	Partial	No	Yes	Yes
Tone alert radios	No	No	No	NR	No	Partial	No	No	Partial	No

Note: Yes means that the CSEPP-funded item is fully operational and meets standards.

Partial means that the CSEPP-funded item is partially operational because additional requirements are anticipated and/or the current system or equipment do not meet CSEPP standards.

No means that the state and counties do not have the required CSEPP item.

NR means that the state and counties do not have a requirement for the CSEPP item.

^aFederal Emergency Management Information System.

^bThe system was fully funded in 1996.

^cThe equipment has been funded since 1995.

^dThe enhancements were funded in 1996.

Source: Based on data provided by the Army's Project Manager for CSEPP and state and county emergency management agencies.

In our survey of CSEPP participants, all 10 states and 37 of 40 counties participating in the program said that their emergency response

capabilities had increased since the implementation of CSEPP. Officials of three counties said that their emergency response capabilities had not changed. Most communities near the chemical stockpile sites had little capability to respond to a chemical emergency when the program began in 1988. For example, emergency management officials from both the state of Oregon and Lonoke County, Arkansas, said that CSEPP has made good progress, considering that they had very little capability before the program was implemented. According to a Lonoke County official, the county would have only a few radios without CSEPP's assistance, and it is better able now to respond to all types of emergencies. Appendix IV discusses the status and funding of specific CSEPP projects.

According to FEMA, most CSEPP states and local communities have the operational capability to respond to a chemical stockpile emergency even though all CSEPP items have not been procured or installed. We did not assess whether states and local communities have operational capability to respond to a chemical incident. Our conclusion that states and local communities lack critical items is based on CSEPP benchmarks and guidance and data from the Army, FEMA, states, and local communities. We continue to believe that using benchmarks and program guidance is the appropriate measure for assessing whether program goals are being met.

Program Officials Expect That CSEPP Will Transition to a Maintenance Phase After 1998

By the end of 1998, according to federal, state, and county officials, states and local communities will have nearly all of the critical CSEPP items funded and/or available and the program will transition from procurement into a maintenance phase. At that time, most of the program's expenditures are expected to be for operations and maintenance activities rather than construction or procurement of major capital items. The transition to a maintenance phase will require less contract management, training, and federal oversight of state and local daily operations. According to Army CSEPP officials, the programs in Arkansas, Illinois, Indiana, and Utah have already transitioned into the maintenance phase. Local communities in Alabama, Colorado, and Oregon, however, will still lack some critical CSEPP items after 1998.

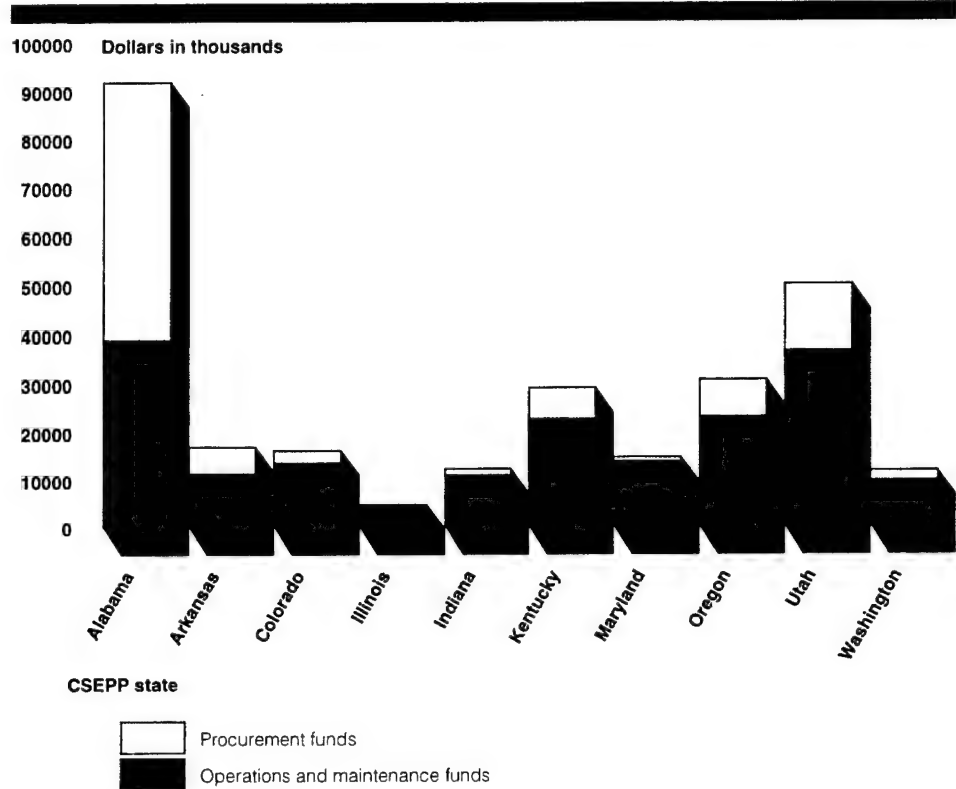
The CSEPP Joint Army/FEMA Team is in the process of negotiating standard baseline operating costs with each of the 10 states participating in the program. The negotiated funding will cover (1) agreed-upon recurring fixed-costs (for example, salaries, office supplies, and telephones) plus an inflation factor and (2) variable operating costs (for example, training and exercises) that are recognized costs but the level of funding is subject to

annual fluctuation. Other funding will be for short-term projects and one-time procurement requirements. Procurement funds are used to purchase major capital items such as communication systems or decontamination equipment. According to Army officials, inadequate actions by states and counties have caused several of the major projects to lag and the accumulation of procurement funds in state accounts.

For fiscal years 1997-2004, the Army expects to need another \$598.6 million to operate the program. It estimates that 66.4 percent of the funding allocated to the states will be operations and maintenance funds and 33.6 percent will be procurement funds (see fig. 1). Only Alabama is estimated to receive more procurement funds, mostly for costly sheltering-in-place projects, than operations and maintenance funds.⁹ Other states such as Illinois, Indiana, and Maryland are expected to receive very little procurement funds compared with their estimated operations and maintenance funding.

⁹Sheltering-in-place enhancements can be as simple as taping doors and windows or as elaborate as installing pressurized air filtration systems in schools, hospitals, jails, community centers, and public buildings. In 1996, the Calhoun County Emergency Management Agency in Alabama estimated that the county would require about \$67.6 million for sheltering-in-place enhancements to 55 facilities located near the stockpile storage site.

Figure 1: Estimated Allocation of CSEPP Funds for Fiscal Years 1997-2004



Note: Future allocations are based on the estimated funding required to maintain an acceptable level of emergency preparedness. Within DOD's budget constraints, the required funding will vary by CSEPP jurisdiction.

Source: Based on CSEPP's life-cycle cost data provided by the Army's Project Manager for CSEPP.

CSEPP Has a History of Management Weaknesses and Concerns Still Remain

The Army, FEMA, and the states and counties have been frustrated in attempts to implement CSEPP. As we and FEMA's Inspector General have reported, problems have stemmed from management weaknesses in the program and disagreements over respective roles and responsibilities.

Prior Reports Discuss Management Weaknesses

The Army has been slow in achieving its main objective of helping communities to enhance their emergency management capabilities because the program's (1) management roles and responsibilities are fragmented between Army and FEMA offices and are not well defined,

(2) planning guidance is imprecise, (3) the budget process lacks coordination and communications, and (4) financial data and internal controls are inadequate. Army and FEMA officials have differed and continue to differ on various aspects of program management, and consequently, CSEPP's effectiveness and efficiency continue to suffer.

In 1993, we testified that the Army had made little progress in achieving its main objective of helping communities prepare for emergencies involving chemical agent release.¹⁰ The lack of progress was partly because of management weaknesses at the federal level, including fragmented authorities and responsibilities and weak financial controls, that led to missed program milestones and delays in issuing program guidance. In 1994, we reported that the Army's management approach had not been effective and that communities near the chemical stockpile sites were not prepared to respond to a chemical stockpile emergency.¹¹

In 1995, we reported that program officials lacked accurate financial information to identify how funds were spent and ensure that program goals were achieved.¹² Because of inadequate financial data and internal controls, Army and FEMA could not provide reliable information on actual expenditures. Army and FEMA officials still do not have accurate financial information to identify how funds are spent. Specifically, records on expenditure data are limited; allocation data differ among federal, state, and local agencies; and states and counties maintain large unexpended balances of funds. According to Army and FEMA officials, the Office of Management and Budget's Circular A-102 limits the Army in requesting expenditure data from the states.

In July 1996, we reported that Alabama communities near the Anniston Army Depot were not prepared to respond to a chemical emergency because they lacked critical items. Although the communities had been allocated \$46 million, they had not spent \$30.5 million because federal, state, and local officials had not reached agreement on specific requirements for four projects. We concluded that the lack of progress was the result of management weaknesses at the Army and FEMA levels and inadequate action by state and local agencies.

¹⁰Chemical Weapons Storage: Communities Are Not Prepared to Respond to Emergency (GAO/T-NSIAD-93-18, July 16, 1993).

¹¹Chemical Weapon Stockpile: Army's Emergency Preparedness Program Has Been Slow to Achieve Results (GAO/NSIAD-94-91, Feb. 22, 1994).

¹²Chemical Weapons: Army's Emergency Preparedness Program Has Financial Management Weaknesses (GAO/NSIAD-95-94, Mar. 15, 1995).

**Management Weaknesses
Cited by the FEMA
Inspector General**

In February 1993, the FEMA Inspector General reported that CSEPP's reporting system did not provide timely, accurate, or consistent data and did not satisfy the management needs of either FEMA or the Army.¹³ Specifically, FEMA officials could not accurately account for how CSEPP funds were spent and Army officials lacked accurate data to determine whether funds were spent effectively.

**Concerns Expressed by
State and County Officials**

Several states and counties said that they were frustrated with the Army's and FEMA's joint management of CSEPP and needed greater discretion in the use of program funds (see table 4). However, Army officials expressed concern over providing the states greater discretion in the use of CSEPP funds because of past indiscretions. In 1995, we reported some of the indiscretions noted by the Army. For example, Arkansas reprogrammed \$413,000 in unobligated funds to construct office space, and Washington reprogrammed \$100,000 allocated for telecommunication equipment to design an emergency operations center without FEMA headquarters' approval.

¹³Audit of FEMA's Management of the Chemical Stockpile Emergency Preparedness Program, FEMA Inspector General (Feb. 1993).

Table 4: Selected States' and Counties' Comments About the Army and FEMA Management of CSEPP

Organization	Comment
Alabama Emergency Management Agency	If CSEPP was effectively managed, the program would be much farther along than it is now.
Clay County Emergency Management Agency, Alabama	CSEPP lacks federal leadership and guidance.
Etowah County Emergency Management Agency, Alabama	Substantive changes in the program's management, direction, and budget process are needed to make CSEPP effective.
Arkansas Office of Emergency Services	Federal agencies lack sensitivity to state and local requirements and micromanage the budget process.
Jefferson County Office of Emergency Services, Arkansas	Federal agencies need to improve CSEPP's lines of communications and coordination.
Colorado Office of Emergency Management	Federal agencies spend too much effort micromanaging and reevaluating every aspect of the state's program.
Kentucky Disaster and Emergency Services	Recent changes in CSEPP guidance, lines of communications, and responsibilities have hampered the progress of the program.
Maryland Emergency Management Agency	Inadequate and partial funding of CSEPP projects detracts from the state's ability to respond to a chemical stockpile emergency.
Baltimore County Office of Emergency Preparedness, Maryland	If program priorities and guidance were firmly established, CSEPP would be more effective and less costly.
Harford County Division of Emergency Operations, Maryland	The Army and FEMA roles and responsibilities are not clear, and they often dictate to state and local governments.
Oregon Emergency Management Agency	CSEPP lacks good communications, clear priorities, and timely decisions.
Morrow County Emergency Management, Oregon	The Army and FEMA roles and responsibilities are not clearly defined.
Utah Department of Public Safety	Federal micromanagement of CSEPP compromises the state's ability to plan, direct, implement, and evaluate the program.
Washington Military Department	Federal agencies lack clear direction, roles, and responsibilities.
Benton County Emergency Management, Washington	Federal agencies micromanage the program and make decisions with little or no coordination with the county.

Note: Based on our prior work and recent visits to 7 of the 10 states and several of their counties, we believe that these comments are valid and are based on justified concerns about the Army and FEMA management of the program.

As discussed later in this report, our work shows that the Army and FEMA have management problems and disagreements that have adversely affected CSEPP's effectiveness.

Efforts to Improve Program Management Have Been Frustrated by Continued Disagreements

Although Army and FEMA officials have acted in response to criticism and improved program management, the effectiveness of these actions has been limited by continued disagreements between Army and FEMA officials. Specifically, the lack of agreement prevented the Secretary of the Army from timely compliance with the statutory requirement to report on the implementation and success of CSEPP integrated process teams. Two important steps taken to improve the management of the program were to establish the CSEPP Joint Army/FEMA Team and implement the integrated process teams. However, based on FEMA's stated positions, we believe that the agency does not fully support the Joint Army/FEMA Team or site-specific integrated process teams. Because of these and other differences regarding their roles and responsibilities, Army and FEMA officials have not agreed to a long-term management arrangement for CSEPP.

Disagreements Over the Implementation of the CSEPP Joint Army/FEMA Team

In 1993, the Senate Committee on Appropriations reported that CSEPP's cost growth and program delays were unacceptable, and indicated that there were problems with the program's management structure.¹⁴ In addition, the Committee concluded that the Army and FEMA maintained a top-heavy bureaucratic organization to manage the program. The Committee directed the Army to (1) assume full management responsibility for the execution of CSEPP, (2) directly receive and review states' budget requests for program funds, (3) tighten program controls and ensure timely improvements in local capabilities to respond to a chemical stockpile emergency, (4) streamline CSEPP's management structure, (5) reevaluate FEMA's role in CSEPP, (6) establish milestones for critical CSEPP projects, and (7) establish strict financial controls to ensure accountability over program funds. Although the Army established the CSEPP Joint Army/FEMA Team in response to this direction, the team has not functioned as the Army intended. Specifically, CSEPP's management structure was not streamlined, and the Army and FEMA continue to share responsibility for executing CSEPP, receiving and reviewing states' budget requests, and implementing financial controls over program funds.

According to the CSEPP Joint Army/FEMA Team's charter, dated January 6, 1995, the joint team was intended to (1) establish a focal point for accountability of the program, (2) coordinate and integrate on- and off-post activities, and (3) create an environment for teamwork. However, according to DOD officials, the team has not functioned as intended. According to FEMA officials, the establishment of the joint team has posed

¹⁴Senate Report No. 103-158, at 368-369 (1993).

several management challenges to FEMA, including the differentiation between the roles and responsibilities of the team and FEMA's regional offices. FEMA officials have proposed that the Army eliminate the joint team and associated staffing.

In August 1996, the Program Manager for Chemical Demilitarization reported that, in some situations, FEMA's implementation of the charter had inhibited the progress of CSEPP.¹⁵ According to the Program Manager, pressure from FEMA headquarters' officials to have the agency's joint team members spend more of their duty time at FEMA headquarters' and less with the joint team had impeded their integration with Army's members. The Program Manager concluded that communications with the CSEPP participants and coordination with the Army had been adversely affected. In response, FEMA's Deputy Associate Director for Preparedness, Training, and Exercises agreed that the program was not functioning as effectively as it should and that respective roles, responsibilities, and working relationships needed to be clarified.

Disagreements Over the Implementation of CSEPP Integrated Process Teams

In the 1997 National Defense Authorization Act (P.L. 104-201, section 1076), the Congress directed the Secretary of the Army to submit a report, within 120 days of the law's enactment, that assessed the implementation and success of the site-specific integrated process teams. The act further states that if the Army and FEMA were unsuccessful in implementing the integrated process teams within each of the participating states within 120 days, the Secretary of the Army shall (1) assume full control and responsibility for the program by eliminating the role of the FEMA Director as a joint manager; (2) clearly define the goals of the program; (3) establish fiscal constraints for the program; and (4) agree with each of the participating states regarding program requirements, implementation schedules, training and exercise requirements, and funding to include direct grants for program support.

In January 1997, the Assistant Secretary of the Army for Research, Development, and Acquisition, reported that the Army was unable to provide the report on January 28, 1997, as required, because of delays in scheduling required training and the subsequent establishment of site-specific integrated process teams.¹⁶ The Army views these teams as a

¹⁵The Army's Program Manager for Chemical Demilitarization letter to FEMA's Deputy Associate Director for Preparedness, Training, and Exercises (Aug. 20, 1996).

¹⁶Assistant Secretary of the Army for Research, Development, and Acquisition letter to the Chairman, Senate Committee on Armed Services (Jan. 30, 1997).

mechanism for identifying issues, developing solutions, and integrating program plans and budget submissions among CSEPP jurisdictions at each stockpile location. The teams will make recommendations to Army and FEMA officials for consideration and determine solutions to site-specific issues. The Assistant Secretary's letter included an interim status of the formation of the site-specific integrated process teams, concluding that the training and formation of the teams were nearing completion. He also reported that FEMA headquarters had some concerns over the efficiency of the integrated process teams. In contrast, the FEMA regions were supporting the teams.

In March 1997, the Assistant Secretary of the Army for Research, Development, and Acquisition, reported to the Chairman of the House Committee on National Security that the Army was unable to provide the report, as required, because Army and FEMA officials had not reached agreement on the long-term management structure for CSEPP and on the implementation of integrated process teams at the management and working levels. While training and implementation of the working-level integrated process teams had been completed, he said that it was necessary to further delay the submission of the report on the implementation and success of the teams until May 30, 1997.¹⁷ The Assistant Secretary concluded that, if the Army and FEMA were unsuccessful in reaching an agreement on the long-term management structure for CSEPP and integrated process teams, the Army would assume full control and responsibility for the program. According to FEMA's comments on a draft of this report, FEMA officials disagree with Army's conclusions in the letters complying with the legislative reporting requirement.

Several state and local officials we visited were pleased with the initial results of the teams. However, others expressed concern that the teams may be good in theory but only add another layer of bureaucracy to the program. For example, officials in Oregon and Kentucky expressed concern over which agency or integrated process team would be responsible for making final decisions.

Although FEMA has participated in CSEPP's integrated process teams, its concept for site-specific integrated process teams differs from the Army's concept, and the agency has not signed the Army's proposed memorandum implementing the integrated process teams. Specifically,

¹⁷On May 30, 1997, the Assistant Secretary of the Army (Installations, Logistics, and Environment) informed the Congress that the report would be delayed until July 15, 1997.

FEMA does not want the Army involved in off-post CSEPP activities and wants to eliminate the Army from site-specific integrated process teams. FEMA's desire to eliminate the Army from site-specific integrated process teams is inconsistent with the tenets of the process and does not recognize the Army's position that they should work as partners.

Army and FEMA Officials Disagree on FEMA's Future Role

In September 1996, FEMA's Deputy Associate Director for Preparedness, Training, and Exercises reported that the Army and FEMA had very different management styles and philosophies and that the current approach was not working.¹⁸ She concluded that attempts to combine Army and FEMA approaches in developing off-post preparedness capabilities have resulted in delays and conflicting messages to participating states. Additional FEMA correspondence indicates that the agency continues to want to manage all off-post activities with little or no Army involvement.

In October 1996, the Army Program Manager for Chemical Demilitarization agreed that Army's and FEMA's management styles were different and added that relationships were strained and leadership was less effective than desired.¹⁹ The Program Manager reported that maintaining the current management structure would continue regional and state confusion over the program's leadership and prolong the program's problems. He concluded that FEMA's participation in CSEPP was preferred but suggested that FEMA's role and personnel involved in the program be reduced. (See app. V.) He rejected options to eliminate either the Army's or FEMA's role in the program.

The Program Manager also provided FEMA with a draft memorandum reorganizing CSEPP. The memorandum identifies the Army Project Manager for CSEPP as the primary program decision-making authority and the site-specific integrated process teams as the primary means of carrying out the program. FEMA officials said they had not agreed to the reorganization because of questions over the integrated process teams and FEMA's future role in the program. Because of these and other differences regarding their roles and responsibilities, the Army and FEMA have not agreed to a management arrangement for CSEPP after September 1997.

¹⁸FEMA's Deputy Associate Director for Preparedness, Training, and Exercises letter to the Army's Program Manager for Chemical Demilitarization (Sept. 20, 1996).

¹⁹The Army's Program Manager for Chemical Demilitarization letter to FEMA's Deputy Associate Director for Preparedness, Training, and Exercises (Oct. 9, 1996).

Conclusions and Recommendations

We believe that the future effectiveness of CSEPP is at risk given the continuing disagreements between Army and FEMA officials and that high-level management attention is needed to clearly define CSEPP management roles and responsibilities. Therefore, we recommend that the Secretary of the Army and the Director of FEMA work together to complete the mandated assessment of the implementation and success of integrated process teams by July 15, 1997. We also recommend that, as part of this assessment, the Secretary and the Director reach agreement on a long-term management structure for CSEPP that clearly defines the roles and responsibilities of Army and FEMA personnel. Should the Secretary and the Director be unable to complete their assessment and issue a report that includes a plan for revising CSEPP's management structure, we recommend that the Secretary of the Army implement the requirements of the 1997 National Defense Authorization Act to (1) assume full control and responsibility for the program and eliminate the role of the FEMA Director as a joint manager; (2) clearly define the goals of the program; (3) establish fiscal constraints for the program; and (4) agree with each of the participating states regarding program requirements, implementation schedules, training and exercise requirements, and funding to include direct grants for program support.

Agency Comments and Our Evaluation

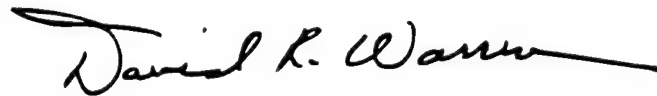
We received written comments on a draft of this report from both DOD and FEMA, and they are presented in their entirety in appendixes VI and VII, respectively. DOD concurred with the report and its recommendations. FEMA generally concurred with the recommendations but strongly disagreed with our conclusions. Our evaluation of FEMA's overall response is presented below and our specific comments are presented in appendix VII. We also added information to the report to more fully reflect FEMA's position. DOD and FEMA also provided technical corrections and clarifications and, where appropriate, we incorporated them in the report as well.

FEMA disagreed with our assessment that the program is at risk because of its ongoing differences with the Army. FEMA noted that it has been working closely with the Army to clarify roles, responsibilities, and working relationships and resolve the differences as soon as possible. While we agree that FEMA and the Army have been discussing this issue, it continues to go unresolved after more than a year of discussions. Our concern is not whether the Army's or FEMA's approach to resolving the management issue is the more appropriate; we are concerned that CSEPP's implementation is being delayed because this issue has not been resolved. As a consequence,

the program's goal of providing communities with items critical to responding to a chemical stockpile emergency remains to be achieved after 9 years and funding of \$431.4 million.

We prepared this report under our basic legislative responsibilities. We are providing it to you because of your oversight responsibilities for chemical weapons disposal programs. We are also sending copies of this report to the Secretaries of Defense and the Army, the Directors of the Office of Management and Budget and FEMA, and other interested parties. We will make copies available to others upon request.

Please contact me at (202) 512-8412 if you or your staff have any questions. Major contributors to this report are listed in appendix VIII.

A handwritten signature in black ink, reading "David R. Warren". The signature is fluid and cursive, with a long horizontal stroke at the end.

David R. Warren, Director
Defense Management Issues

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Abbreviations

CSEPP	Chemical Stockpile Emergency Preparedness Program
DOD	Department of Defense
FEMA	Federal Emergency Management Agency
FEMIS	Federal Emergency Management Information System

Objectives, Scope, and Methodology

In July 1996, we reported that 8 years after the Chemical Stockpile Emergency Preparedness Program's (CSEPP) inception, Alabama communities near Anniston Army Depot were not fully prepared to respond to a chemical stockpile emergency because they lacked critical items. Given the lack of progress in Alabama's CSEPP and prior CSEPP management weaknesses we have reported on, we conducted a follow-up review to (1) assess CSEPP's progress in enhancing emergency preparedness in all 10 states participating in the program and (2) identify opportunities to improve program management.

To assess CSEPP's progress in enhancing emergency preparedness in the states participating in the program, we examined a variety of Army, Federal Emergency Management Agency (FEMA), state, and county planning and funding documents and reconciled data among the Army, FEMA, and state and county emergency management agencies. We interviewed and obtained and analyzed data on the status of CSEPP projects from officials of the Army Program Manager for Chemical Demilitarization and the CSEPP Joint Army/FEMA Team located at Edgewood, Maryland, and from officials of the Aberdeen Proving Ground, Maryland; the Anniston Army Depot, Alabama; the Pine Bluff Arsenal, Arkansas; the Pueblo Depot Activity, Colorado; the Tooele Army Depot, Utah; and the Umatilla Depot Activity, Oregon. We also met with officials from FEMA headquarters and regional offices in Atlanta, Georgia, and Bothell, Washington. Although we met with officials from the Army installations where the chemical stockpile munitions are stored, we did not try to assess the status of the installations' emergency preparedness programs.

To observe emergency preparedness operations and facilities, we visited Alabama and its Calhoun and Talladega counties, Arkansas and its Jefferson and Grant counties, Colorado and its Pueblo county, Maryland and its Harford and Baltimore counties, Oregon and its Morrow and Umatilla counties, Utah and its Tooele and Salt Lake counties, and Washington and its Benton county. We also interviewed and obtained data on the status and costs of CSEPP projects from emergency management officials in Illinois, Indiana, and Kentucky. In addition, we sent questionnaires to the 10 state and 40 county program directors at the end of 1995 to obtain data on the status of their emergency preparedness programs and on their views of the Army's and FEMA's joint management of the program. All state and county program directors responded to our questionnaire. We updated portions of the questionnaire responses through interviews and data collection instruments in October 1996 through February 1997. For those critical projects not yet completed, we

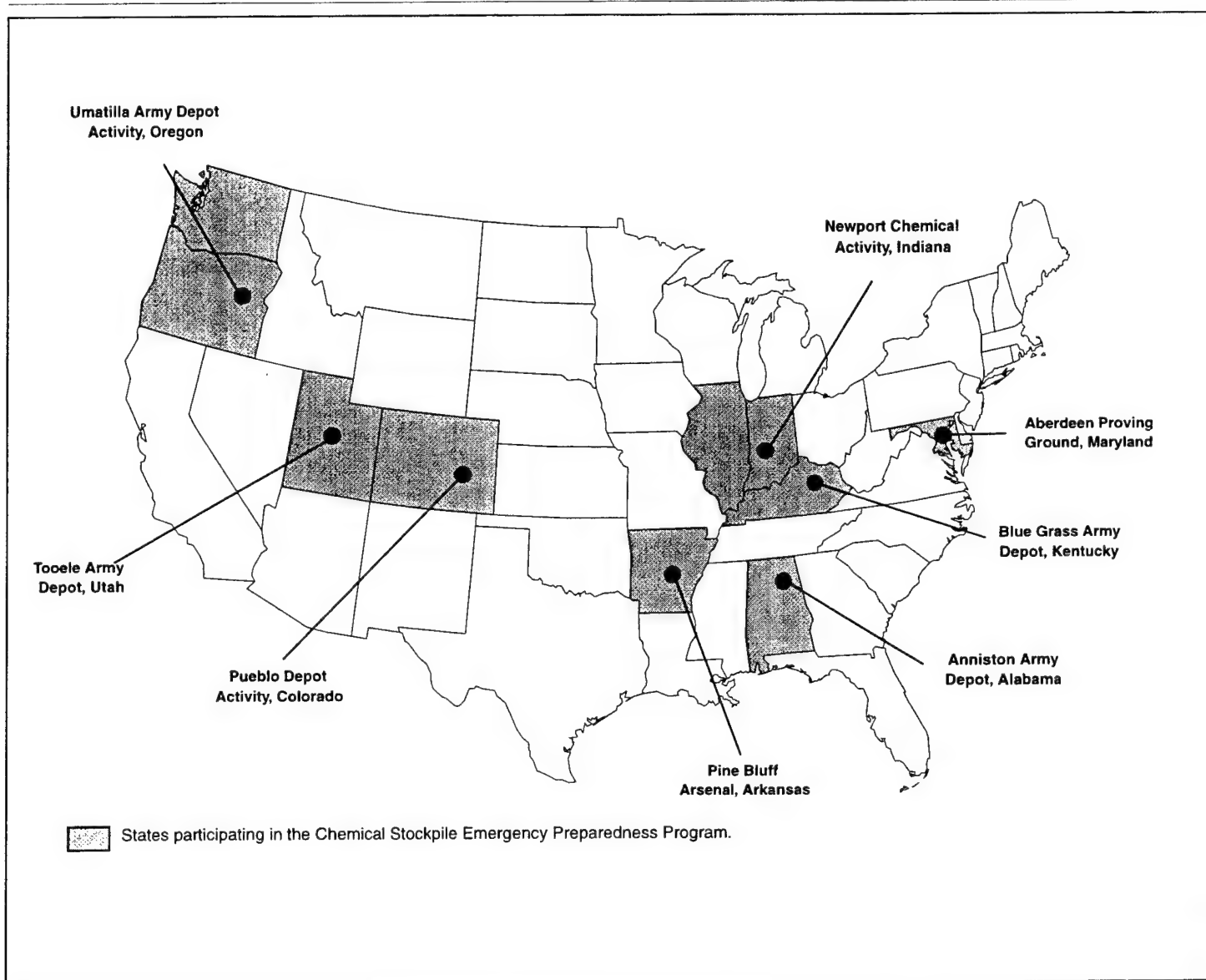
did not attempt to determine their impact on emergency preparedness and risk to the local population, but we identified and analyzed the reasons for the delay in their implementation.

To identify opportunities to improve program management, we discussed the actions the Army has taken and further actions that should be taken to improve the program with Army, FEMA, state, and local officials. We also discussed the impact of the Army's actions and reviewed planning documents, progress reports, memoranda, and correspondence. We discussed the CSEPP benchmarks and guidance with federal, state, and local officials to determine how this guidance was applied in implementing the program. Furthermore, we compared planning and operational data for CSEPP projects with the benchmarks and guidance and determined whether the projects complied with program requirements and time frames. To assess the effectiveness of the federal, state, and county management, we reviewed the Army's and FEMA's management structure and guidance and compared them with state and local requirements and concerns. We also documented and analyzed the magnitude and impact of state and county emergency management agencies' involvement in the funding process, federal feedback on the budget process, partial funding of projects, and slow disbursements of funds.

The Department of Defense (DOD) and FEMA provided written comments on a draft of this report and they are presented in their entirety in appendixes VI and VII, respectively. DOD agreed with the recommendations in our draft report. FEMA generally concurred with the recommendations but strongly disagreed with our conclusions. Our evaluation of FEMA's specific points is presented in appendix VII. DOD and FEMA also provided technical clarifications and, where appropriate, we incorporated them in the report.

Our review was conducted from August 1996 to March 1997 in accordance with generally accepted government auditing standards.

Chemical Stockpile Locations in the Continental United States



Source: Based on data provided by the Army's Program Manager for Chemical Demilitarization.

Funds Allocated to CSEPP Entities in Fiscal Years 1988-96

Dollars in thousands

Entity	Amount	Percent
Army headquarters and commands	\$27,846.2	6.5
Army installations	36,070.1	8.4
Army major contracts (over \$100,000) ^a	88,195.0	20.4
Other Army contracts ^a	398.3	0.1
FEMA headquarters and regions	14,667.0	3.4
FEMA contracts ^a	28,567.4	6.6
Alabama and counties	54,808.6	12.7
Arkansas and counties	22,030.5	5.1
Colorado and county	14,670.6	3.4
Illinois and counties	3,877.1	0.9
Indiana and counties	14,336.7	3.3
Kentucky and counties	21,194.6	4.9
Maryland and counties	19,382.5	4.5
Oregon and counties	25,303.0	5.9
Utah and counties	27,991.2	6.5
Washington and county	17,184.2	4.0
Other entities	1,093.1	0.3
Not allocated	13,766.4	3.2
Total	\$431,382.5	100.0

^aAccording to the Army and FEMA, these contracts support the entire CSEPP community and include direct support to Army installations; the development of program guidance, training courses, and computer programs; and the procurement of personal protective equipment and computer hardware and software.

Source: The Army's Project Manager for CSEPP.

Acquisition and Installation of Essential CSEPP Projects Are Behind Schedule

Implementation of projects needed to respond to a chemical stockpile emergency is behind schedule. States and local communities still lack items critical to responding to a chemical stockpile emergency, including integrated communication systems, personnel protective equipment, personnel decontamination equipment, sheltering-in-place enhancements, and alert and notification systems.

The Final Automated Information System Continues to Experience Problems

In 1994, officials estimated that the installation of the final CSEPP automated information system would be completed by July 1995. The CSEPP automated information system—computer equipment and software—is required to support planning and managing emergency response activities. The process of determining appropriate protective actions is too complex and time-consuming to perform manually during a chemical stockpile emergency. Computer equipment and software are considered essential in helping local officials to plan for the appropriate protective actions. In 1993, the Army and FEMA started to develop a standard automated information system, called the Federal Emergency Management Information System (FEMIS), with the specifications of software requirements by the CSEPP community. The Army started testing FEMIS in September 1994, and since then, the system has undergone eight tests, culminating in the government acceptance test in Alabama. Although the Army spent \$14.7 million on FEMIS,¹ the system still has problems.

During the period September 9 through 20, 1996, the Army tested FEMIS at the Anniston CSEPP site, and the system met most performance measures. The test plan identified 75 measures of performance. Of these, 59 were satisfied, 5 failed, and 11 were not tested. According to personnel participating in the test, however, the system was slow and cumbersome. In addition, the reliability, availability, and maintainability parameters for FEMIS had not been established and were not evaluated as in a traditional operational test. The test was structured to determine the level of confidence that the reliability, availability, and maintainability of the system is progressing. Test results indicated that FEMIS was available for 61 percent of the training and test period. The predominant reason for the system's unavailability was its inability to update data from one CSEPP location to another, which occurred when power at a CSEPP site either surged or was interrupted. For example, during the test, the Alabama emergency operations center was struck by lightning. Other sites experienced interruptions in telephone connections when the local telephone company was making repairs and when nearby construction

¹Funding is through fiscal year 1996.

Appendix IV
Acquisition and Installation of Essential
CSEPP Projects Are Behind Schedule

workers cut a telephone cable. Hardware and software maintenance was outside the scope of the test and was not evaluated.

Because of the system's technical problems and requirement for supplemental personnel, Army and FEMA officials decided in 1996 that FEMIS was the preferred but optional system. As a result, the system may not be adopted by all participating states and counties (see table IV.1). Until FEMIS is operational, CSEPP states and counties are using interim automated information systems—computer equipment and software—to support planning and managing emergency response activities. These interim systems include the Army's Emergency Management Information System (designed to be used by Army installations where the chemical stockpile weapons are stored) and Integrated Baseline System (designed to be used by the off-post communities).

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Acquisition and Installation of Essential
CSEPP Projects Are Behind Schedule**

Table IV.1: Status of CSEPP Automated Information Systems, by Location

Location	Status
Alabama and counties	The state and counties are now using the on-post Emergency Management Information System. The state and counties may decide to field FEMIS.
Arkansas and counties	At the beginning of 1997, the state and counties installed the Emergency Management Information System. Final selection of the automated information system will be based on the results of FEMIS' government acceptance test.
Colorado and county	Pueblo County is now using the Emergency Management Information System. The state and county may select either the Emergency Management Information System or FEMIS depending on the results of the government acceptance test of FEMIS. Full implementation at Pueblo County depends on CSEPP's providing adequate support for the system and network management. Negotiations with FEMA for contract support are continuing.
Illinois and counties	The state and counties are now using the Emergency Management Information System. The state has requested \$100,000 for computer equipment and work stations. Final selection of the automated information system will be based on the results of FEMIS' government acceptance test.
Indiana and counties	The state and counties are currently using the Emergency Management Information System. Final selection of the automated information system will be based on the results of FEMIS' government acceptance test.
Kentucky and counties	The state and county will be using the Emergency Management Information System and plan to switch to FEMIS.
Maryland and counties	The state and counties are now using a variety of over-the-counter software, including the Emergency Information System and SoftRisk, and have detached copies of the Emergency Management Information System. The state and counties are not connected to the automated information system at Aberdeen Proving Ground, but funding was provided for the connection for the state and Harford County in fiscal year 1997. Final selection of the automated information system will be based on the results of FEMIS' government acceptance test and correction of faults.
Oregon and counties	The state and counties are currently using the Integrated Baseline System, but plan to switch to FEMIS.
Utah and counties	The state and counties are using FEMIS, but the system is not fully operational. Tooele County is using portions of the Emergency Management Information System to communicate with the Tooele Army Depot for the daily work plans and hazard assessments. The county decided to use the Emergency Management Information System and not FEMIS.
Washington and county	Equipment has been purchased, installed, and configured for the installation of FEMIS. At the discretion of the Army, the installation of FEMIS software is expected in mid-May 1997.

Most Emergency Operation Centers Are Fully Operational

In 1993, the Army and FEMA agreed that each Army installation and immediate response zone county should have a functioning emergency operations center where responsible officials can gather to direct and coordinate emergency operations, speak with other jurisdictions and emergency response officials in the field, and formulate protective action decisions.

Benton County, Washington; Harford County, Maryland; Vermillion County, Indiana; the state of Colorado; and Morrow and Umatilla counties, Oregon; are constructing or trying to upgrade their emergency operation centers. At an estimated cost of \$1.5 million, Benton County's center is scheduled to be completed by August 1997. Construction of a new operations center in Harford County, Maryland, is scheduled to be completed in mid-May 1997. In Indiana, Vermillion County is trying to upgrade its emergency operations center to better support the CSEPP automated information system. Vermillion County has set aside \$140,000 for the project but received a contractual bid of \$197,000 for the project. The county is requesting \$57,000 in CSEPP funds to pay for the funding shortfall. In fiscal year 1996, Colorado requested \$20,000 to determine the requirements for a state-operated emergency operations center, but the request was denied.² The state requested funding again in fiscal year 1997.

According to local officials in Oregon, the Morrow County emergency operations center does not meet CSEPP requirements. In fiscal year 1992, the Army and FEMA provided Morrow County \$315,000 to renovate an existing building for the county's emergency operations center. The Morrow County Emergency Management Director said that his center has limited capacity, lacking adequate space for CSEPP equipment, and should be expanded.³ In Umatilla County, construction of the new CSEPP emergency operations center is scheduled to be completed in February 1998.

Most CSEPP Communication Systems Are Fully Operational

In 1992, the Army and FEMA determined that every CSEPP jurisdiction should have a functioning communications system connecting the Army installation, state emergency management agency, and immediate response zone counties. The system should provide direct, reliable, and redundant communications capabilities to interagency and intra-agency emergency response workers. Currently, 5 of the 10 CSEPP states have fully operational CSEPP communication systems. The communication systems in Alabama, Kentucky, and Oregon do not meet program standards, and Illinois and Utah are upgrading their communication systems. (See table IV.2.)

²The Pueblo County Emergency Operations Center has been operational since 1992.

³The center includes office space and a holding cell for the county sheriff.

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Acquisition and Installation of Essential
CSEPP Projects Are Behind Schedule**

Table IV.2: Status of CSEPP Communication Systems, by Location

Location	Status
Alabama and counties	The primary CSEPP communications system is not operational, but is fully funded. The county project manager expects to begin operational testing in August 1997 and begin operations in March 1998.
Arkansas and counties	The CSEPP communications system is operational.
Colorado and county	The CSEPP communications system is operational.
Illinois and counties	The state is upgrading its CSEPP communications system.
Indiana and counties	The CSEPP communications system is operational.
Kentucky and counties	The funded elements of the communications system are operational. The state wants to expand the current system and requested additional funds in fiscal year 1997. Funding was deferred, pending completion of a cost-sharing agreement between the state and Madison County.
Maryland and counties	The CSEPP communications system is operational.
Oregon and counties	Oregon is experiencing contractual and technical problems in implementing the CSEPP communications system, and the system is not fully operational. These problems are considered significant, and the completion date of the system is not known. The project is managed by the state of Oregon.
Utah and counties	According to county officials, the CSEPP communications system is not fully operational. Two new microwave links are required to provide proper communications coverage linking the state and counties. Partial funding was approved, but a second allocation is needed to purchase and install the equipment. Tooele County also needs to replace two obsolete microwave links that provide voice and data communications and siren activation capabilities. Army officials said that the current CSEPP communications system in Utah was operational without these upgrades.
Washington and county	The CSEPP communications system is operational.

Personal Protective Equipment Purchases Are Scheduled for Completion in 1997 and 1998

Personal protective equipment has been considered a critical response requirement for several years. In July 1994, the Argonne National Laboratory concluded there was a potential for the aerosol deposition of agents off post from a chemical stockpile accident.⁴ The deposition creates the requirement for personal protective equipment, which includes portable respirators, protective suits, gloves, boots, and hoods. Because of their assigned traffic, decontamination, health, and other critical response duties at the periphery of the chemical plume, local emergency workers may find themselves in danger of contamination from an unexpected shift in the plume. Although the states received funding for the equipment in 1995 or before, only communities in Utah have the required personal protective equipment. Other CSEPP jurisdictions are now determining requirements or acquiring the equipment. These projects are scheduled to be completed in 1997 and 1998. (See table IV.3.)

⁴Potential for Surface Contamination by Deposition of Chemical Agent Following Accidental Release at an Army Storage Depot, Argonne National Laboratory (July 1994).

Appendix IV
Acquisition and Installation of Essential
CSEPP Projects Are Behind Schedule

Table IV.3: Status and Funding of CSEPP Personal Protective Equipment, by Location

Location	Status	Funding^a
Alabama and counties	The project is not completed. According to state officials, only a portion of the requirement has been funded. Talladega County has received government-furnished equipment, and Calhoun County is now acquiring the equipment. Procurement of additional equipment will be based on a needs assessment, scheduled to be completed in late 1997.	\$850,000
Arkansas and counties	The project is not completed. The equipment was funded in September 1995 and will be purchased based on recommendations of the Arkansas integrated process team.	720,000
Colorado and county	The project is not completed. The equipment was funded in fiscal year 1995 and part of the equipment is scheduled to be purchased in early 1997. Issues regarding the remaining equipment are being negotiated by Army and FEMA officials.	760,000
Illinois and counties	The project is not completed. The equipment was funded in fiscal year 1995 and is scheduled for delivery in mid-1997.	200,000
Indiana and counties	The project is not completed. The equipment was funded in fiscal year 1995, 400 suits have been received, and the protective masks are scheduled for delivery in July 1997.	400,000
Kentucky and counties	The project is not completed. The equipment was funded in fiscal year 1995. It will be purchased based on the state's needs assessment, to be completed in October 1997.	400,000
Maryland and counties	The project is not completed. Equipment was funded in fiscal year 1995, but the funds were retained at the state pending completion of a federal, state, and county team's review and selection of equipment. However, this effort was placed on hold, pending the results of the Maryland integrated process team's examination of all aspects of CSEPP in the state.	1,240,000
Oregon and counties	The project is not completed. The equipment was funded in fiscal year 1995 and 277 protective masks were received in January 1997. Federal, state, and local officials disagree over which protective suit to purchase and whether an additional person is needed to support and care for the personal protective equipment.	420,000
Utah and counties	The project is completed. The equipment was funded in fiscal year 1993 and received in December 1996.	648,000
Washington and county	The project is not completed. The equipment was funded in 1995, but no procurement action will be taken, pending the completion of negotiations over monitoring requirements and the appropriate type of equipment.	445,000

^aAllocated funds for fiscal years 1988-96.

Personnel Decontamination Equipment Purchases Are Scheduled for Completion in 1997

The most urgent decontamination priority during a chemical stockpile emergency is the cleansing of people contaminated with chemical agents. The decontamination process helps to minimize the effects on people's health and to prevent the spread of agents to other people. Communities in Arkansas and Utah have operational decontamination units. The remaining locations have received funding for personnel decontamination units and are conducting need assessments, acquiring the equipment, or requesting additional equipment to move the units. The decontamination projects are scheduled to be completed in 1997. (See table IV.4.)

**Appendix IV
Acquisition and Installation of Essential
CSEPP Projects Are Behind Schedule**

Table IV.4: Status and Funding of Personnel Decontamination Equipment, by Location

Location	Status	Funding ^a
Alabama and counties	The project is not completed. Four decontamination units were funded in fiscal year 1995 and delivered to Calhoun County in February 1996. The Alabama Department of Public Health has purchased and delivered small decontamination units to each of the nine hospitals in the area. According to Alabama Emergency Management Agency officials, there is an unmet requirement for more than 10 additional decontamination units.	\$216,000
Arkansas and counties	The project is completed.	517,000
Colorado and county	The project is not completed. Four decontamination units were funded in fiscal year 1995 and are scheduled for delivery in 1997.	240,000
Illinois and counties	The project is not completed. Eight decontamination units were funded in fiscal year 1995. Federal and state officials are negotiating design requirements.	64,000
Indiana and counties	The project is not completed. Four decontamination units were funded in fiscal year 1995 and are scheduled for delivery in December 1997.	44,000
Kentucky and counties	The project is not completed. Kentucky's needs assessment was completed in October 1996. Five decontamination units were funded in fiscal year 1995 to cover basic requirements, and the units are scheduled for delivery by September 1997.	250,000
Maryland and counties	The project is not completed. Equipment was funded in fiscal year 1995, but the funds were retained at the state, pending completion of a federal, state, and county team's review and selection of equipment. ^b	35,684
Oregon and counties	The project is not completed. Four decontamination units were funded in fiscal year 1995. Federal and county officials are negotiating the type of decontamination units to purchase.	200,000
Utah and counties	The project is completed. Four decontamination units were purchased.	291,000
Washington and county	The project is not completed. The initial proposal covers the equipment costs for the main traffic control points and a reception center and includes four small decontamination trailers and equipment for the construction of decontamination stations.	152,000

^aAllocated funds for fiscal years 1988-96.

^bThis effort was placed on hold pending the results of the Maryland integrated process team's review of all aspects of CSEPP in the state. As a result of this review, CSEPP requirements have been reduced. Inflatable decontamination tents and some equipment were purchased in 1997 to augment Harford County's existing decontamination capabilities.

Additional Sheltering-in-Place Projects Are Anticipated

Program documents state that people closest to most stockpile storage sites will not have time to evacuate and will remain in place during a chemical stockpile release. Sheltering-in-place enhancements can be as simple as taping doors and windows or as elaborate as installing pressurized air filtration systems in schools, hospitals, jails, community centers, and public buildings. Pressurization systems draw outside air into the shelter through a filter that removes the chemical agent. The pressure from this filtered air increases to the point that the contaminated air from the outside cannot leak into the facility. Pressurized air-filtration systems have been completed in Arkansas and Maryland and are scheduled for

Appendix IV
Acquisition and Installation of Essential
CSEPP Projects Are Behind Schedule

completion in Alabama, Colorado, Indiana, and Oregon. Communities in Illinois, Kentucky, Utah, and Washington are located too far from the chemical stockpile sites to require pressurized air-filtration systems for their facilities. (See table IV.5.)

Table IV.5: Status and Funding of CSEPP Pressurization Projects, by Location

Location	Status	Funding ^a
Alabama and counties	The pressurization projects are not completed. In fiscal years 1995 and 1996, the state received funding for pressurization of 37 facilities in Calhoun County. The projects are scheduled to be completed by June 1999. State and county officials believe that additional projects will be funded in the future.	\$7,400,000
Arkansas and counties	The pressurization project is completed.	140,175
Colorado and county	The pressurization projects are not completed. Two projects in the immediate response zone were funded in fiscal year 1995 and are tentatively schedule to be completed in late 1997. According to Army officials, the lack of adequate action by the county has delayed this project.	200,000
Illinois and counties	There is no requirement.	
Indiana and counties	The pressurization projects are not completed. Vermillion County plans to protect the county jail. Funding has not been spent, pending the results of a technical review of the project. County officials expect that additional funding will be needed to complete the project.	87,500
Kentucky and counties	There is no requirement.	
Maryland and counties	The pressurization projects are near completion. Pressurization equipment was installed in four Harford County schools in fiscal year 1996 and completed and tested in January 1997. As a result of additional FEMA guidance in January 1997, the county and its contractors are considering additional changes to the pressurization projects. County officials estimate that additional costs of \$300,000 and delays of 6 months may be realized.	1,016,100
Oregon and counties	The pressurization projects are not completed. In fiscal years 1994 and 1995, the state received funding for the pressurization of 14 facilities in Morrow and Umatilla counties. Morrow County projects are scheduled to be completed in 1997. Umatilla County has requested additional funding to complete its projects.	2,800,398
Utah and counties	There is no requirement.	
Washington and county	There is no requirement.	

^aAllocated funds for fiscal years 1988-96.

Most Alert and Notification Systems Are Scheduled for Completion in 1997 and 1998

During the initial minutes of a chemical stockpile emergency, sirens and tone alert radios should instruct government officials, emergency response workers, and residents on what protective actions to take. Outdoor sirens with voice message capability can alert the population of the emergency and provide instructional messages about appropriate protective actions. Tone alert radios are placed in homes, schools, hospitals, jails, nursing homes, and businesses to provide alert signals and instructional messages.

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Initially, CSEPP officials planned to have alert and notification equipment installed and tested by October 1992. In 1994, we reported that program officials anticipated that sirens would be installed at all eight storage sites by January 1995 and that tone alert radios would be installed at six sites by October 1995.

Communities in 6 of the 10 CSEPP states have operational siren systems. Communities in Illinois are located too far from the Newport Chemical Activity, Indiana, to require a system. The remaining siren systems are scheduled to be completed in 1997 and 1998. (See table IV.6.)

Table IV.6: Status and Funding of Outdoor Siren Systems, by Location

Location	Status	Funding ^a
Alabama and counties	The siren system is operational. The first installment is completed, but county officials anticipate that the county will need additional sirens.	\$2,417,602
Arkansas and counties	The siren system is operational.	1,312,368
Colorado and county	The siren system is not completed. Federal funding was allocated in 1994 for sirens. A sound propagation study was completed in February 1996, and funds for the siren system are scheduled to be committed in late 1997.	475,000
Illinois and counties	There is no requirement for sirens.	
Indiana and counties	The siren system is operational.	1,061,288
Kentucky and counties	The siren system is operational.	873,244
Maryland and counties	The siren system is not fully operational. The contract was awarded in April 1996, and installation and testing were completed in December 1996 and January 1997, respectively. As a result of problems encountered during the initial test, the final 60-day test and prove-out period has been delayed, and the state will not take possession of the system until the period is successfully completed.	1,294,700
Oregon and counties	Forty-two sirens were installed, but the system is not operational. The project is managed by the state of Oregon.	1,373,758
Utah and counties	The siren system is operational.	1,755,771
Washington and county	The siren system is operational. Testing of the siren system was completed in February 1997.	1,687,406

^aAllocated funds for fiscal years 1988-96.

In general, homes and buildings in communities near the chemical stockpile sites do not have tone alert radios. The exception is Kentucky, where 5,000 radios have been installed and additional radios are scheduled to be installed in 1997 and 1998. Most of the remaining indoor alert radio projects are scheduled to be completed in 1997 and 1998. (See table IV.7.)

Appendix IV
Acquisition and Installation of Essential
CSEPP Projects Are Behind Schedule

Table IV.7: Status and Funding of Indoor Alert Radio Projects, by Location

Location	Status	Funding^a
Alabama and counties	The project is not completed. The radios are scheduled to be installed in December 1998, pending completion of the demographics survey in April 1998.	\$4,002,850
Arkansas and counties	The project is not completed. The radios are scheduled to be installed in October 1997.	2,043,720
Colorado and county ^b	The project is not completed. Funds for the tone alert radios and infrastructure were allocated in fiscal year 1995 and are scheduled to be committed by late 1997.	600,000
Illinois and counties	There is no requirement for tone alert radios.	
Indiana and counties	The project is not completed. The state estimates that the project will cost \$1,319,500 to complete. The radios are scheduled to be installed and operational by July 1997.	1,319,500
Kentucky and counties	The project is partially completed. Ten thousand radios have been delivered, of which 5,000 have been installed; the remaining 5,000 radios are scheduled to be installed in mid-1997. Additional radios are scheduled to be purchased and installed by March 1998.	3,890,371
Maryland and counties	The project is not completed. Requirements for tone alert radios will not be addressed until the Maryland integrated process team completes its review of all aspects of CSEPP in the state. According to Harford County officials, it is possible that few or no tone alert radios will be needed.	650,000
Oregon and counties ^b	The project is not completed. Procurement of the radios is deferred, pending completion of a review of alternatives to tone alert radios. The review is scheduled to be completed in 1997.	3,713,300
Utah and counties	The project is not completed. Installation of tone alert radios in households is in progress and scheduled to be completed in mid-1997. The procurement of enhanced radios with printing capabilities for special need populations and facilities is in progress and scheduled to be completed at the end of 1997.	574,570
Washington and county ^b	The project is not completed.	100,000

^aAllocated funds for fiscal years 1988-96.

^bIn an effort to reduce the cost of each tone alert radio through economies of scale, Colorado, Oregon, and Washington are attempting to combine their purchases.

Army's Proposed Full-Time Equivalent Positions for FEMA in Support of CSEPP

Position	Location	Full-time equivalent
CSEPP Joint Army/FEMA Team action officers	Edgewood, Maryland	6
Clerical and administrative support	Edgewood, Maryland	2
Information technology support	Olney, Maryland	As needed
Emergency Management Institute	Emmittsburg, Maryland	1
Exercise support	Washington, D.C.	2
Public affairs support	Washington, D.C.	1
Financial and administrative support	Washington, D.C.	2
Planning and federal preparedness coordination	Washington, D.C.	1
Clerical and administrative support	Washington, D.C.	1
Action officers, FEMA Region III	Philadelphia, Pennsylvania	3
Action officers, FEMA Region IV	Atlanta, Georgia	4
Action officers, FEMA Region V	Chicago, Illinois	3
Action officers, FEMA Region VII	Kansas City, Missouri	3
Action officers, FEMA Region VIII	Denver, Colorado	4
Action officers, FEMA Region X	Seattle, Washington	4
Total		37

Source: Based on correspondence from the Army's Program Manager for Chemical Demilitarization to FEMA's Deputy Associate Director for Preparedness, Training, and Exercises (Aug. 20, 1996).

Comments From the Department of Defense



NUCLEAR AND CHEMICAL
AND BIOLOGICAL DEFENSE
PROGRAMS

ASSISTANT TO THE SECRETARY OF DEFENSE
3050 DEFENSE PENTAGON
WASHINGTON, DC 20301-3050

APR 11 1997

Mr. David R. Warren
Director
Defense Management Issues
National Security and International
Affairs Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Warren:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "CHEMICAL WEAPONS STOCKPILE: Changes Needed in the Management Structure of the Emergency Preparedness Program," dated March 13, 1997 (GAO Code 709230/OSD Case 1315). The Department concurs with the report and its recommendations.

Technical corrections to the report were separately provided. Detailed comments to the report are at the enclosure.

The Department appreciates the opportunity to comment on the draft report.

Sincerely,

Harold P. Smith, Jr.

Enclosure:
As stated

Appendix VI
Comments From the Department of Defense

GAO DRAFT REPORT - DATED MARCH 13, 1997
GAO CODE 709230/OSD CASE 1315

"CHEMICAL WEAPONS STOCKPILE: CHANGES NEEDED IN THE MANAGEMENT
STRUCTURE OF THE EMERGENCY PREPAREDNESS PROGRAM"

DOD COMMENTS IN RESPONSE TO THE RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommended that the Secretary of the Army and the Director of Federal Emergency Management Agency (FEMA) work together to complete the mandated assessment of the implementation and success of integrated process teams by the end of March 1997. (pp. 26-27/GAO Draft Report)

DOD RESPONSE: Concur with the GAO recommendation as written. The Secretary of the Army notified the Congress that the assessment of the implementation and success of integrated process teams will be completed by May 30, 1997.

RECOMMENDATION 2: The GAO recommended that, as part of this assessment, the Secretary and the Director reach agreement on a long-term management structure for Chemical Stockpile Emergency Preparedness Program (CSEPP) that clearly defines the roles and responsibilities of Army and FEMA personnel. (p. 27/GAO Draft Report)

DOD RESPONSE: Concur with the GAO recommendation as written.

RECOMMENDATION 3: The GAO pointed out that should the Secretary and the Director be unable to complete their assessment and issue a report that includes a plan for revising CSEPP's management structure, the GAO recommended that the Secretary of the Army implement the requirements of the 1997 National Defense Authorization Act to (1) assume full control and responsibility for the program and eliminate the role of FEMA Director as a joint manager, (2) clearly define the goals of the program, (3) establish fiscal constraints for the program, and (4) agree with each of the participating states regarding program requirements, implementation schedules, training and exercise requirements, and funding to include direct grants for program support. (p. 27/GAO Draft Report)

DOD RESPONSE: Concur with the GAO recommendation as written.

Now on p. 18.

Now on p. 18.

Now on p. 18.

Comments From the Federal Emergency Management Agency

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



Federal Emergency Management Agency

Washington, D.C. 20472

April 22, 1997

Mr. David R. Warren
Director, Defense Management Issues
US General Accounting Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Warren:

On March 13, 1997, Mr. Tom Howard provided the Federal Emergency Management Agency (FEMA) with a copy of the General Accounting Office (GAO) draft report *Chemical Weapons Stockpile: Changes Needed in the Management Structure of the Emergency Preparedness Program*, GAO/NSIAD-97-91. As before, we appreciate the role that GAO plays in identifying problems in program implementation and recommending possible solutions and corrective actions.

As you will recall, FEMA voiced serious concerns regarding the tone and conclusions contained in the last GAO report on the Chemical Stockpile Emergency Preparedness Program (CSEPP), *Chemical Weapons Stockpile: Emergency Preparedness in Alabama is Hindered by Management Weaknesses*, GAO/NSIAD-96-150 (July, 1996). I am pleased to note that the tone and content of this report have improved significantly over the July 1996 report.

On April 2, 1997, FEMA met with GAO staff concerning the most recent draft report. At that meeting, which you attended, FEMA program staff raised a number of concerns that can generally be grouped into three categories. These categories are:

- The report mistakenly attributes most, if not all, programmatic weaknesses to Federal level management.
- GAO improperly asserts throughout the draft report that, where deficiencies have been noted in the past, the Army has taken actions to address these issues, but the effectiveness of these corrective actions has been diminished either through FEMA action or inaction.
- The draft report incorrectly assumes that, because FEMA has proposed managing the off-post emergency preparedness program, FEMA does not support site-specific Integrated Process Teams (IPTs).

FEMA staff has prepared a detailed summary of what we believe are factual errors and conclusions in the draft report. I implore you to review the attached document with an open mind and fully consider the facts in FEMA's position on these important matters.

See comment 1.

Appendix VII
Comments From the Federal Emergency
Management Agency

Mr. David R. Warren
Page 2

Thank you for the opportunity to comment both in person and in writing on the draft GAO report. If you have any questions, please do not hesitate to contact Mr. Joseph D. Szwarcop, Chief of the Regulatory Services Coordination Unit at (202) 646-3200.

Sincerely,


James L. Witt, Director
Federal Emergency Management Agency

Enclosure

cc: Donna Shandle
Tom Howard

FEMA'S COMMENTS ON FINDINGS AND CONCLUSIONS
CONTAINED IN THE DRAFT GAO REPORT ENTITLED
CHEMICAL WEAPONS STOCKPILE:
CHANGES NEEDED IN THE MANAGEMENT STRUCTURE
OF THE EMERGENCY PREPAREDNESS PROGRAM

INTRODUCTION

This audit, the most recent in a series conducted by the General Accounting Office (GAO), continues to focus on perceived difficulties with Federal-level management of the Chemical Stockpile Emergency Preparedness Program (CSEPP). The report also asserts that Federal-level differences have resulted in delays in program implementation. In this, as in prior reports, specific attention has been devoted to difficulties allegedly caused by the role of the Federal Emergency Management Agency (FEMA) in off-site preparedness.

Neither FEMA nor the Army has denied that there are unique problems associated with the joint management of a politically sensitive and critical program such as CSEPP. However, given the substantial evidence to the contrary, provided with this report, it is inappropriate to assert that program implementation has been slowed as a result of Federal differences. State and local governments currently have the capability to respond to a chemical event, were it to occur, because of the excellent level of preparedness that has been achieved to date. Despite this capability, the GAO focuses more on the expanded packages of assistance that State and local governments want versus achievement of established emergency preparedness benchmarks and standards.

A disservice is being done to FEMA and the States by GAO's belief that the Army should have sole control of the program, compounded through GAO's insistence on assuming that Federal disagreements are delaying program implementation.

Throughout these audits, GAO has insisted that Federal level management, mismanagement, or micromanagement has been the primary, if not sole, reason for noted difficulties. While FEMA does not dispute that programmatic difficulties exist, we challenge the premise that this agency is to blame. Moreover, as we cautioned in our response to the previous report, GAO's continued assessment of blame at "Federal level management", with little or no recognition or acknowledgment of programmatic impediments at the State or local levels, will undoubtedly make their elimination or remediation more difficult.

While this response contains specific comments on findings we find faulty in the draft report; we would first like to cite three general themes with which FEMA takes issue as examples.

See comment 1.

See comment 1.

GENERAL THEMES

As stated above, there are general themes, contained throughout the draft report, with which FEMA must strongly differ, discuss here, and explain in more detail in the next section of this response.

First, GAO faults Federal level management for most, if not all, programmatic weaknesses. As we stated during our face-to-face meeting, this conclusion is faulty for it fails to recognize or acknowledge programmatic impediments at the State, local, and Army levels. In addition, this continued focus on program "mismanagement" obscures the significant gains made in State and local emergency response preparedness, causing them to be minimized or completely ignored. Throughout the report, where CSEPP States and localities have not received every item they desire, they are perceived as having little or no capability at all. This perception is invalid and inconsistent with Appendix IV of the draft report.

Second, GAO infers that, where deficiencies have been noted in the past, the Army has taken actions to address these issues, but the effectiveness of these corrective actions has been diminished by FEMA. On the contrary, many of the corrective actions noted by GAO were undertaken by FEMA or were joint FEMA/Army activities. FEMA has in no way hindered programmatic progress.

Finally, as was discussed at length during our recent meeting, the draft report inappropriately ties the ongoing negotiations regarding program management to IPT implementation. Due to this improper association, GAO concludes that, because FEMA has proposed managing the off-post emergency preparedness program without Army involvement in programmatic decision-making, we oppose the IPT process. On the contrary, IPTs are an integral component of FEMA's proposal for program management and, additionally, have been successfully implemented throughout the program.

Instead, the negotiations concern whether, and, if so, to what extent, FEMA and the Army will apportion the day-to-day management of off-post CSEPP emergency preparedness. Regardless of the outcome of the negotiations, FEMA's participation in and support of the IPTs has and will continue unabated. Secretary West and Director Witt are both committed to IPTs and a strong positive partnership, and are taking an increased role in streamlining the program.

Throughout FEMA's involvement in CSEPP, we have made every effort to comply with congressional mandates. In that regard, FEMA has supported IPT implementation and continues to work closely with the Army to ensure they succeed. FEMA's activities to date negate the implication in this report that FEMA ignores or resists the will of Congress.

AREAS REQUIRING CORRECTION

The conclusions, contained in this report, are based on a number of factual errors or differences of opinion that need to be acknowledged and rectified.

Appendix VII
Comments From the Federal Emergency
Management Agency

Issue 1:

Page 5 – CSEPP's slow progress has been due in large part to long-standing management weaknesses including disagreements between the Army and FEMA over their respective roles and responsibilities.

Response:

Significant program progress has been made. Moreover, delays are not the result of disagreements between the Army and FEMA over respective roles and responsibilities.

Abundantly more progress has been made in CSEPP emergency preparedness than the draft report recognizes. States are significantly better prepared to respond to a chemical incident today than even two years ago. Indeed, they could effectively respond to an incident today were one to occur. Alert and notification systems are installed to warn the public of any incident, in place communications systems would allow on- and off-post responders to effectively communicate, and the public is continually informed of protective action measures to be taken in the event of a chemical accident through Federally-funded public education programs.

FEMA recognizes, as it has in response to past audits, that not all anticipated emergency preparedness equipment has been purchased and/or installed and, as a result, full programmatic capability has not yet been attained, although many sites have purchased and installed necessary equipment and are nearing the maintenance phase. The attached capability graphs demonstrate quite clearly that operational readiness and capability have been attained for most benchmark items at each site. Thus, while capability will undeniably improve, deployable capability has been achieved.

Issue 2:

Page 6 – Disagreements between Army and FEMA officials on their respective roles and responsibilities continue to hamper program effectiveness.

Response:

Ongoing negotiations between FEMA and the Army with respect to program management have little relation to program implementation.

As we candidly admitted during the April 2 meeting, and documentation in the possession of GAO amply demonstrates, FEMA and the Army recognize that the current management system needs improvement. Despite this common understanding, GAO focuses its attention primarily at the Federal level, ignoring the critical role played by State and local governments. FEMA includes State and local participants within that management structure. For that reason, we are proposing a management system to eliminate many of the current management frustrations and work effectively for all participating levels.

GAO, without sufficient analysis, cites current management difficulties as the root cause for programmatic delays. While FEMA recognizes that there is a perception, perpetuated by GAO, that the issues are affecting program delivery, both FEMA and the Army have worked very closely to ensure the uninterrupted delivery of program services. Thus, FEMA is extremely proud of the significant programmatic gains made to State and local response capability in spite of the cumbersome management structure. Considering that FEMA, the Army and GAO all agree that current management system adjustments must be made, the gains made in emergency preparedness at the State and local levels, despite our management differences, are noteworthy indeed. This report should reflect those accomplishments.

Issue 3:

Page 6 -- States and local communities still lack critical emergency preparedness items.

Response:

While not all equipment has been procured or installed, CSEPP States and local communities have operational capability to respond to a chemical incident.

As FEMA has noted before, not all emergency preparedness equipment intended for the program has been procured by the CSEPP communities. However, the assertion that this failure is due primarily to Federal-level management fails to tell the whole story.

In order to address this issue, two questions must be asked: (1) what is the genuine need? and (2) assuming the need is real, whose responsibility is it to meet that need by procuring the necessary equipment?

In Public Law 99-145, The Defense Authorization Act of 1986, Congress called for the destruction of the existing unitary chemical weapons stockpile. The Act further directed the Secretary of Defense to provide "maximum protection for the environment, the general public, and the personnel who are involved in the destruction of lethal chemical agents and munitions". Congressional intent underscores the need for maximum protection, without definition or clarification, resulting in significant debate at all levels of government as to the best, most effective way to achieve the mandate, thereby increasing costs.

The maximum protection mandate and its interpretation, more than any other single issue, has led to delays in programmatic implementation and the procurement of CSEPP equipment. In this time of fiscal limitations, it also encourages States and counties to aggressively seek program dollars to indirectly support non-CSEPP requirements. Obviously, with honest differences regarding emergency preparedness needs and the integrity of program managers on the line, serious delays have occurred where a community insists on equipment or supplies that are either in excess of programmatic needs, or do not directly support the program.

Now on p. 4.

See comment 4.

In other instances, items are approved and funded, yet extenuating factors, not Federal mismanagement, have resulted in procurement delays. For example, Personal Protective Equipment (PPE), funded in 1995, has yet to be procured by many States. Early delays were caused by the ensemble selection, testing and approval processes, including approvals by the Occupational Safety and Health Administration and the National Institutes for Occupational Safety and Health (all of which were Federal activities). Many States since that time have simply failed to quantify their need, select from among the approved ensembles, and make their required purchases.

Issue 4:

Page 7 (and Table 2 on page 8)— Approximately \$43.2 million has been allocated to FEMA headquarters, regional offices, and contracts.

Response:

Since 1988 when the MOU with the Army was signed, FEMA has spent only \$14.9 million on administrative support. The rest of its budget has been used to bolster the entire program.

As the report notes, some of the money provided to FEMA is used to fund contracts to support the entire program. Unfortunately, the impression remains that FEMA uses a significant portion of the total budget (i.e., 10%) supporting itself. In fact, less than 4% of the CSEPP budget is used by FEMA for direct staff support, administration, etc. The rest is used to bolster the entire program through contract support.

While the issue may seem trivial, it is important to specifically differentiate FEMA's usage of CSEPP funds for staff support versus program support. States and local governments have, at times, expressed concerns that FEMA's use of CSEPP funds siphons off dollars that could better be spent improving State or local emergency preparedness. Clarifying that 65% of FEMA's internal CSEPP budget is actually used to promote program-wide activities will hopefully allay the expressed concerns.

Issue 5:

Page 10 (Table 3) — Availability of critical CSEPP-funded items.

Response:

While not all equipment has been procured or installed, most CSEPP States and local communities have operational capability to respond to a chemical incident.

As stated previously, FEMA acknowledges that continued improvement remains the goal, for no CSEPP community is fully equipped with all the tools it will ultimately receive to respond to a chemical emergency. However, Table 3 is a classic example of looking at the glass as half empty.

The question is not "Does the State or locality have everything it desires?" or, even, "Does it have everything it will ultimately get?" Instead, the question is "Can the community respond adequately to a chemical incident?"

The CSEPP communities have operational capability in nearly every critical area. No, they do not have it all. But, as the States and localities know, if an incident were to happen tomorrow they would respond well with what they have. Thus, while FEMA understands the goal of the audit, GAO's focus on what else could be purchased does a disservice to the community by reinforcing a litany of what they're missing. Instead, the report should acknowledge the equipment and training that have been provided to date and ascertain the States' and locals' abilities to effectively utilize those resources in the event of a CSEPP emergency.

Issue 6:

Page 12 — Negotiation of Baseline Operating Costs (BOCs).

Response:

FEMA and the States, not the Army, negotiated BOCs as part of our Cooperative Agreement process.

BOCs are annual, recurring programmatic costs that do not change from year to year. There was a concerted effort during the FY97 budget cycle to identify these requirements, negotiate their rate, and agree to fund these amounts through the remainder of the program at the negotiated amount (with slight annual increases for inflation). Unless the requirement changes, the agreed upon BOCs will be funded, without the need for further negotiation or justification, through the end of the program. Thus, as pointed out in the draft report, the negotiations of BOCs are a programmatic improvement that will significantly streamline the annual budget negotiation cycle.

Unfortunately, the draft report incorrectly ascribes these activities to the wrong agency.

Issue 7:

Page 16 — Programmatic financial management weaknesses include: records on expenditure data are limited; allocation data differ among federal, state, and local agencies; and states and counties maintain large unexpended balances of funds.

Response:

FEMA's financial management system is in full compliance with OMB requirements.

Limited Expenditure Data:

Financial information on CSEPP funding expenditures complies with Office of Management and Budget (OMB) policy. OMB requires grantees to submit their expenditures by net outlays. At

Now on p. 8.

See comment 7.

Now on p. 11.

See comment 8.

FEMA, grantees submit the Financial Status Report (FEMA Form 20-10, OMB# 3067-0206) on a quarterly basis. FEMA Form 20-10 reports the following:

- Net outlays;
- Recipient share outlays;
- Federal share of outlays; and
- Total unliquidated obligations.

A waiver of OMB policy is necessary to obtain information in excess of that required on FEMA Form 20-10. The Department of the Army does not have a statutory requirement for CSEPP expenditures to be reported by object class or CSEPP class. Therefore, no waiver of OMB policy is warranted. Thus, the type of detailed expenditure information that GAO desires exceeds OMB policy and, therefore, is unavailable and extremely expensive to obtain.

Allocation Data:

There are numerous steps involved in processing a financial award. From the time the funds are released by the Army, to acceptance of those funds by the State, various documents have to be prepared which follow a prescribed sequence of events. During the award/obligating process, the status of financial documentation may differ between the participating governmental levels as funds, and the corresponding documents, travel through the system.

Because the draft report does not specify the exact basis for its concern regarding inconsistencies between allocation data, FEMA will respond by citing an example from the State of Arkansas. During a recent visit by GAO to the State, Arkansas reported an award amount that differed from that provided by FEMA and the Army. At the April 2 meeting, FEMA explained that relying on various financial tracking documents as a snapshot in time formed the basis for the difference. Grants accounting is a dynamic process and accounting discrepancies among funding institutions when documentation is in transit is to be expected. Only complete records are comparable.

Specifically, while the financial documentation for all awards to date had been completed at the Federal level (and, therefore, included in our financial assessment), the documents from which we were compiling the State's total allocation had not been received or processed by the State. Upon receipt of these documents, Arkansas' records correctly matched FEMA and Army records. Thus, when the auditor initially compared the State and Federal data it appeared that the totals were inconsistent, when, in fact, the State's records were simply incomplete.

Documentation discrepancies similar to Arkansas', are likely to occur in other CSEPP States as well. Because CSEPP States receive awarded funds throughout the fiscal year, it is unlikely that all financial documents will be in agreement when reviewed on any given day. However, before GAO broadly identifies this phenomenon as a programmatic deficiency, FEMA asks that GAO consider that it could be attributed to delays in the receipt and processing of the corresponding documentation.

Unexpended Balances:

Following the 1995 program audit, FEMA provided information to GAO explaining the cause for large outstanding balances at the State level and the actions taken by FEMA to reduce those balances. FEMA's information included documentation that:

- Some prior balances are dependent on State procurement and implementation actions.
- FEMA began to reconcile prior year Cooperative Agreements (CAs) in 1994. This action included delaying the award of FY95 funds pending completion of an investigation into unexpended funds.
- In FY95 and FY96, funding adjustments were made based on the unobligated funds identified by the States.
- FEMA continues to emphasize closing out projects.
- In 1996, FEMA implemented the Performance Partnership Agreement (PPA) to assist in achieving measurable results in support of the National Performance Review II.
- Internally, the CSEPP Program Office is working with FEMA's Inspector General to improve management and funding accountability of specific State projects.

Issue 8:

Page 17 – In February 1993, the FEMA IG reported that CSEPP's financial reporting system did not provide timely, accurate, or consistent data and did not satisfy the management needs of either FEMA or the Army.

Response:

The cited FEMA IG report does not support GAO's position that FEMA's financial tracking mechanism is ineffective because the IG report, initiated at our program office's request, investigated FEMA's performance reporting, rather than financial management, system.

The FEMA IG report criticized State reporting processes, not FEMA's financial management system. FEMA reporting requirements comply with OMB guidance for CSEPP.

The Office of Management and Budget strictly limits financial reporting requirements. Specifically, 44 CFR Section 13.41 states "... grantees will use only the forms specified...in this section, and such other forms as may from time to time be authorized by OMB" for submitting financial data to Federal agencies. The only exception to this prohibition occurs if the reports are statutorily mandated (although the reporting party can voluntarily agree to provide data beyond what is required on the approved reporting form).

Now on p. 12.

See comment 9.

No statutory language compelling information beyond that required by FEMA Form 20-10 exists. Therefore, unless the CSEPP States voluntarily agree to provide more detailed data, only information consistent with OMB guidance can be requested. As discussed under Issue 7, FEMA Form 20-10 is consistent with OMB financial reporting requirements. Thus, information called for by GAO can only be obtained through the voluntary action of the reporting party.

Issue 9:

Page 19 (Table 4) – Selected States' and Counties' Comments About The Army And FEMA Management Of CSEPP.

Response:

This table contains selective, subjective statements and should be deleted.

As pointed out in person, this table unfairly paints the program with broad, negative strokes. From various responses (both positive and negative), only responses supporting GAO's assertion that programmatic problems can be placed on Federal-level management were included. The table therefore, lends little or no value to the report. FEMA suggests its deletion from the final report.

Issue 10:

Page 20 – FEMA and the Army's inability to agree on a management structure for CSEPP prevented the Secretary of the Army from timely compliance with the statutory requirement to report on the implementation and success of CSEPP Integrated Process Teams.

Response:

FEMA and the Army's Program Manager for Chemical Demilitarization agreed to a status report declaring the successful implementation of IPTs prior to the January deadline, however, the letter submitted by the Assistant Secretary of the Army conveys otherwise. The submitted letter was not coordinated with FEMA, and FEMA disagrees with its conclusions.

Throughout the document, GAO views delays in resolving differences regarding overall management of the program as a refusal on FEMA's part to agree on the method for implementing IPTs. GAO implies that FEMA's interest in managing off-post emergency preparedness is somehow inconsistent with the IPT process.

This erroneous conclusion is embodied in the GAO assertion that FEMA and the Army's inability to agree on a management structure for CSEPP prevented the Secretary of the Army from timely compliance with the statutory requirement to report on the implementation and success of CSEPP Integrated Process Teams.

As discussed on April 2, FEMA and the Army had agreed to a congressional response regarding the status of IPT implementation prior to the report's due date (not later than 120 days after enactment). In that response (a copy of which is attached), the Army determines that "site specific Integrated Product and Process Teams as a management tool for CSEPP have been and teams are being successfully established at each site.... The Federal Emergency Management Agency (FEMA) concurs in this determination, and thus FEMA will continue to support the Army in the execution of the program."

Without informing FEMA CSEPP management, the Army asked Congress for a 60-day extension in filing their IPT assessment report, effectively delaying their response until after the March congressional hearings. FEMA was left to conclude that the Army chose to delay its response to Congress in order to retain its options with respect to FEMA's continued participation in CSEPP.

Moreover, on April 4, 1997, FEMA received a copy of a March 31, 1997 letter to the Chairman of the House National Security Committee, further delaying the Army's submission of the IPT status report to Congress. In that letter (attached), the Assistant Secretary of the Army attributes the delay to the ongoing negotiations between FEMA and the Army. As stated above, FEMA challenges the assertion that the management negotiations are an adequate reason for the Army's failure to, once again, provide this congressionally mandated report in a timely manner.

The issue of each agency's future roles and missions in CSEPP can easily be separated from any discussion of how potential management changes will ultimately affect Army and FEMA roles in either managing or participating in IPTs. The outcome of these discussions could certainly impact each agency's participation on established IPTs. However, FEMA does not foresee or propose any outcome that would eliminate the IPT as the accepted management tool for addressing site-specific issues within the CSEPP community. It was, and continues to be, exclusively the Army's decision to delay its congressional report submission. Ongoing negotiations should not affect the Army's ability to provide a timely response.

Issue 11:

Page 20 – FEMA doesn't support IPTs or the Core team.

Response:

FEMA not only supports IPTs; they are an integral component of FEMA's proposal for program management.

With respect to IPTs, FEMA supports the IPT process and is an active participant. However, when first proposed, FEMA was reluctant to agree to the adoption of the IPT as the management structure for CSEPP until the details concerning participation and decision-making were agreed upon by governmental entities at all levels. It would not be prudent to agree to a management framework only to later discover that each participant was agreeing to a different interpretation of an IPT, and, in the worst case scenario, each entity's version was mutually exclusive of the others' (see attached letter dated February 23, 1996).

Now on p. 14.

See comment 12.

While FEMA continues to support the IPT process, it is important to note a recent incident that may, in fact, exemplify the legitimacy of FEMA's concerns and demonstrate that the IPT participants do, in fact, view their IPT roles and authorities quite differently.

Briefly, after receiving Army IPT training, the Alabama IPT was under the impression that a majority vote of the IPT took precedence over the Federal position (FEMA and the Army) on the use of program funds. While every attempt is made to accommodate IPT preference, ultimate decision-making on program policy and the use of CSEPP funds must remain with the Federal government.

Background

Over the last year, there has been ongoing dialogue between FEMA Region IV and the State of Alabama regarding the CSEPP Public Information Officer (PIO) position. FEMA Region IV, FEMA Headquarters and the Army have fully supported the position that the CSEPP PIO belongs at the State level to coordinate the public affairs actions of both the Immediate Response Zone (IRZ) and Protective Action Zone (PAZ) counties.

The State's Emergency Management Director asked if he could divert the State CSEPP PIO funds and divide them equally among the PAZ counties (IRZ counties already have full-time PIOs). He stated his case not only in writing to the Region in August 1996, but in a visit to the FEMA Regional Office last fall prior to the CSEPP State Directors' Meeting in Washington, DC.

Despite the EMA Director's argument in justification of the request, FEMA and the Army remained convinced that the CSEPP PIO position should remain at the State level to fully coordinate the public affairs efforts of all the affected counties surrounding the Anniston Army Depot. FEMA Region IV, in consultation with FEMA Headquarters, advised the State of Alabama in September 1996 to reconsider their proposal and then met with the State Director to discuss the reasoning behind the decision.

Integrated Process Team (IPT) Training

The DOD's IPT training course is an excellent team-building process. However, the course and instructor portray a different concept regarding IPT authority than is recognized by the GAO. The concept conveyed during the training indicates that, once the IPT is formed with operating procedures and by-laws, it is fully "empowered" to make binding decisions based on the needs of that particular IPT. The Alabama IPT participants, except for the Federal participants (FEMA Headquarters, Region IV, and the Army's CSEPP representative) believe that, once consensus is reached, or a majority vote taken, the decision will automatically be implemented.

On February 20, 1997, the first regularly scheduled IPT meeting was conducted in Jacksonville, Alabama at the Calhoun County EMA Office. The basic rules of conduct were discussed and agreed upon during the January initial IPT set-up meeting that followed the IPT training. During the January meeting, the State EMA Director asked to put the State CSEPP PIO issue on the agenda.

During the February IPT meeting, he presented the facts of his case to the entire IPT group. His remarks indicated that, due to the Governor's promise to reduce the overall size of State Government, the Director did not want to hire a State CSEPP PIO. But, more importantly, he emphasized the need for a PIO at the PAZ county level. The IRZ, PAZ, and host county representatives all supported the proposal.

After a lengthy discussion, a vote was taken. The 12-3 vote was split down jurisdictional lines. Twelve supporting votes were from State and county representatives (IRZ/PAZ/Host) and three negative votes from the Federal level (FEMA Headquarters, Regional, and Army) staff. While the issue was ultimately resolved at the IPT level by a compromise proposal, the participating members made it clear that, had there been no agreement between the parties, the Alabama IPT is controlled by the maxim "majority rules." Thus the "winning" position would have been implemented notwithstanding the objections of all Federal level participants. Moreover, even though the "compromise" has been neither forwarded to, nor approved by, FEMA or Army CSEPP officials, State and local IPT participants have every intention of implementing the "agreement." In FEMA's view, this position is an inappropriate usurping of an inherently governmental function and a violation of the Federal Advisory Committee Act (FACA) which generally prohibits policymaking by non-Federal entities.

There are fundamental differences between the Army's concept of the IPT structure as described to GAO (and chronicled on page 24 of the draft report), the way the Army implies IPTs work in their training sessions, and how certain non-Federal members of the IPT are trying to implement them. As the Alabama episode indicates, the States and local participants have a clear picture in their minds that, through the IPT process, "anything is possible." Who's to blame? We all are, but primarily the Army for teaching the theory of total empowerment inconsistent with its own view, stated to GAO and Congress, of IPTs as "recommending bodies."

Because most on- and off-post integration issues have been resolved, the Core Team concept is no longer needed.

As for the "Core Team" concept, FEMA initially supported the positioning of FEMA staff at the joint CSEPP office in Edgewood, Maryland, but now believes the need for day-to-day interaction is outweighed by the need for FEMA staff to work in unity to support our State and local grantees. In fact, as GAO is aware, that office would cease to exist if FEMA is given the opportunity to independently manage the off-post program.

Army Core Team members focus upon on-post issues, whereas FEMA Core Team members focus upon off-post issues. On- and off-post integration planning issues, the original reason for co-positioning, are rare at this stage of the program. Therefore, there is no longer a need for daily face-to-face interaction between the FEMA and Army Core Team members. Any necessary interaction could easily be accomplished over the phone with face-to-face meetings scheduled as necessary.

Moreover, as currently configured, the FEMA members of the joint FEMA/Army CSEPP office simply provide off-post emergency management expertise to support Army management. There is

See comment 13.

no comparable information flow from the Army to FEMA regarding on-post activities. Thus, the Core Team concept is unnecessary and impedes FEMA's ability to effectively utilize its staff to support the off-post CSEPP community.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion: The future effectiveness of CSEPP is at risk given the continuing disagreements between Army and FEMA officials.

Response:

While FEMA concludes our negotiations with the Army and resolves our differences as quickly as possible, we challenge the assessment that our ongoing differences place the program "at risk." Instead, we are proud of the strides made in CSEPP emergency preparedness and expect dramatic programmatic improvements to continue.

Recommendation: The Secretary of the Army and the Director of FEMA [should] work together to complete the mandated assessment of the implementation and success of integrated process teams.

Response:

FEMA should not be faulted for the Army's failure to submit an existing status report to Congress. FEMA input to the report was timely submitted to the Army for inclusion in its report to Congress.

Recommendation: The Secretary and the Director [should] reach agreement on a long-term management structure for CSEPP that clearly defines the roles and responsibilities of Army and FEMA personnel.

Response:

FEMA concurs with this recommendation. Indeed, we have been working closely with the Army to clarify roles, responsibilities and working relationships. However, we strongly disagree with the conclusions that led to this recommendation.

See comment 14.

The following are GAO's comments on the letter from the Director, FEMA, dated April 22, 1997.

GAO Comments

1. The issues raised here are also covered in FEMA's detailed comments and we respond to them specifically in the agency comments and evaluation section of the report and the notes that follow.

2. Our report states that state and local emergency response capability has increased since the implementation of CSEPP. However, as shown in table 3, in some cases progress has been made but, in others, much remains to be done to provide all 10 CSEPP states and their counties with the items CSEPP officials have defined as critical to emergency preparedness.¹

We revised the report to reflect FEMA's position that CSEPP states and local communities could respond to a chemical stockpile emergency even though they do not have all critical CSEPP items. We also reviewed FEMA capability graphs and, where appropriate incorporated them in the report. However, we did not assess whether states and local communities have operational capability to respond to a chemical incident. Our conclusion that states and local communities lack critical items is based on CSEPP benchmarks and guidance and data from the Army, FEMA, states, and local communities, and we continue to believe this is the appropriate criteria for measuring progress.

We disagree with FEMA's position that program delays were not the result of disagreements between the Army and FEMA over their respective roles and responsibilities. Despite attempts to streamline decisionmaking for programmatic and budget issues, five federal offices are still involved in decisionmaking. State and local officials have expressed confusion over which office is in charge and reported that the fragmented management structure delayed decisionmaking. In October 1995, CSEPP state directors identified 27 individual issues and concerns. One concern was the lack of an agreement defining the roles and responsibilities of the Army and FEMA headquarters and the CSEPP Joint Army/FEMA Team. This basic problem continues today.

¹Our conclusion that CSEPP states and local communities lacked critical items was based on CSEPP standards. Specifically, we used the 1993 CSEPP National Benchmarks and the May 17, 1996, CSEPP Planning Guidance as our criterion to determine whether local communities should have the emergency preparedness or response items. To assess the availability of those items in the CSEPP communities, we used data from the Army, FEMA, states, and local communities.

Moreover, both FEMA and Army officials have reported that their disagreements over management roles and responsibilities have resulted in program delays. For example in September 1996, the FEMA Deputy Associate Director for Preparedness, Training, and Exercises wrote that CSEPP was not functioning as effectively as it might and that respective roles, responsibilities, and working relationships needed to be clarified. Similarly, in October 1996, the Army Program Manager for Chemical Demilitarization wrote that the Army and FEMA leadership was divided and less effective than desired. He concluded that the management was not focused on CSEPP and effectiveness and efficiency could be improved.

3. Since 1992, we have reported on CSEPP's management weaknesses, which include fragmented and unclear management roles and responsibilities, imprecise and incomplete planning guidance, a cumbersome budget process, and ineffective financial controls. These weaknesses have resulted in time-consuming negotiations among federal, state, and county officials and hampered the progress of numerous CSEPP projects. In addition, we have reported that inadequate actions by states and counties have also slowed the progress of several CSEPP projects. As stated in comment 2 and our evaluation of FEMA's comments on pages 18 and 19, our concern is not whether the Army's or FEMA's approach to resolving the management issue is the more appropriate; we are concerned that CSEPP's implementation is being delayed because this issue has not been resolved. As a consequence, the program's goal of providing communities with items critical to responding to a chemical stockpile emergency remains to be achieved after 9 years and funding of \$431.4 million.

4. See comment 2.

5. We added information to table 2 of the report to note that \$14.7 million (3.4 percent) was allocated to FEMA headquarters and regions and \$28.6 million (6.6 percent) was allocated for FEMA's contracts.

6. See comments 2 and 3.

7. We revised the report to show that the CSEPP Joint Army/FEMA Team was in the process of negotiating standard baseline operating costs with each of the 10 states participating in the program.

8. We did not assess whether FEMA's financial management system complies with the Office of Management and Budget requirements.

Nonetheless, we are encouraged to see that FEMA's CSEPP Program Office is working with the FEMA Inspector General to improve management and funding accountability of specific state projects.

Notwithstanding these actions, we continue to be concerned about the adequacy of financial management data available to CSEPP managers. Specifically, records on expenditure data are limited; allocation data differ among FEMA, states, and counties; and states and counties continue to maintain large unexpended fund balances. For example, data at FEMA consist primarily of reports that identify states' withdrawals from the federal treasury, but not how the funds were spent. Also, as of July 1996, participating states held \$67.2 million in unexpended CSEPP funds, or 35.3 percent of the funds allocated to them. We continue to believe that effective stewardship over the program requires managers to have information on actual expenditures of funds.

9. We revised the report to show that the FEMA Inspector General reported that CSEPP's reporting system did not provide FEMA managers timely, accurate, or consistent data or the data they need to monitor CSEPP's progress. In addition, the Inspector General report states that "[t]he two financial reports in the CCA [Comprehensive Cooperative Agreement] reporting system do not meet the financial reporting need of FEMA CSEPP managers or the Army. They monitor allocation of funds to States and identify surplus funds. They do not track the use of funds."

10. Table 4 is included to support our position that state and county CSEPP officials have expressed a sense of dissatisfaction with the Army's and FEMA's management of the program.

We do not agree that table 4 should be deleted from the report as FEMA suggested. States and local officials have primary responsibility for developing and implementing programs to respond to a chemical stockpile emergency. We believe it is important to include their views as part of our analysis.

11. We revised the report to reflect FEMA's position that it disagrees with the Assistant Secretary's position on integrated process teams.

12. Although FEMA has participated in CSEPP's integrated process teams, its concept for site-specific integrated process teams differs from the Army's concept, and the agency has not signed the Army's proposed memorandum implementing the teams. Specifically, FEMA does not want

the Army involved in off-post CSEPP activities and wants to eliminate the Army from site-specific integrated process teams. The Assistant Secretary of the Army for Research, Development, and Acquisition cited the lack of agreement as a basis for requesting an extension to the legislative requirement to report on the implementation and success of the teams. FEMA's desire to eliminate the Army from site-specific integrated process teams is inconsistent with the tenets of the process and does not recognize the Army's position that they should work as partners. Moreover, the example cited by FEMA illustrates the fundamental problems that exists over roles and responsibilities and why that issue has hampered CSEPP's progress.

As envisioned by the Army, the integrated process teams will (1) identify issues, develop solutions, and integrate program plans and budget submissions among CSEPP jurisdictions and (2) include officials from the CSEPP Joint Army/FEMA Team, appropriate FEMA region, participating states and counties, and local Army chemical storage command. The teams are designed to foster open communications with the CSEPP stakeholders and empower the team members with decisionmaking authority. Integrated process team literature suggests that full and open discussion does not mean that each view must be acted on by the team.

13. We believe that the establishment of the CSEPP Joint Army/FEMA Team was an important step to improving the management of the program. According to the CSEPP Joint Army/FEMA Team's charter, dated January 6, 1995, the joint team was intended to (1) establish a focal point for program accountability, (2) coordinate and integrate on- and off-post activities, and (3) create an environment for teamwork. We believe that, if effectively implemented, the CSEPP Joint Army/FEMA Team could eliminate the problems associated with management roles and responsibilities.

However, the team has not functioned as intended. In August 1996, the Program Manager for Chemical Demilitarization reported that, in some situations, FEMA's implementation of the charter had inhibited the progress of CSEPP. According to the Program Manager, pressure from FEMA headquarters officials to have the agency's joint team members spend more of their duty time at FEMA headquarters and less with the joint team had impeded their integration with Army members. The Program Manager concluded that communications with the CSEPP participants and coordination with the Army had been adversely affected.

14. See comments 2 and 3.

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Related GAO Products

Chemical Weapons and Materiel: Key Factors Affecting Disposal Costs and Schedule (GAO/T-NSIAD-97-118, Mar. 11, 1997).

Chemical Weapons and Materiel: Key Factors Affecting Disposal Costs and Schedule (GAO/NSIAD-97-18, Feb. 10, 1997).

Chemical Weapons Stockpile: Emergency Preparedness in Alabama Is Hampered by Management Weaknesses (GAO/NSIAD-96-150, July 23, 1996).

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Chemical Weapons Destruction: Issues Affecting Program Cost, Schedule, and Performance (GAO/NSIAD-93-50, Jan. 21, 1993).